United Nations A/C.5/64/SR.1

General Assembly
Sixty-fourth session

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Fifth Committee

Summary record of the 1st meeting
Held at Headquarters, New York, on Thursday, 1 October 2009, at 10 a.m.

Chairman: Mr. Maurer ..... (Switzerland)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

Contents

Organization of work

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09-54561 (E)

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The meeting was called to order at 10.10 a.m.

Organization of work (A/C.5/64/1; A/C.5/64/L.1)

1. **The Chairman** invited members to consider the proposed tentative and provisional programme of work of the Committee for the main part of the session. The tentative programme of work had been prepared on the basis of the list of agenda items allocated to the Committee by the General Assembly (A/C.5/64/1). The note on the status of preparedness of the relevant documentation for those items (A/C.5/64/L.1) did not reflect the reports issued or submitted since the date of its issuance. A separate list on the status of documentation would be issued for the first and second parts of the resumed session.

2. He wished to highlight some of the recommendations made by the General Committee in its first report (A/64/250), adopted by the Assembly at its 2nd plenary meeting. The Fifth Committee should complete its work for the main part of the session by 11 December 2009. In view of financial constraints, meetings of the Main Committees, including informal meetings, should start promptly at 10 a.m. and be adjourned by 6 p.m. The General Assembly had also decided, in accordance with past practice, to waive the requirement that at least one quarter of the members of a Main Committee should be present in order to declare a meeting open and to permit debate to proceed.

3. Efforts should be made to reduce the number and length of resolutions adopted, and resolutions should not contain requests for reports from the Secretary-General unless such reports were strictly necessary for the implementation of those resolutions or for the continued consideration of an item. Resolutions should also be more action-oriented. In addition, the Main Committees should merely take note of the reports of the Secretary-General or of subsidiary organs which did not require a decision by the Assembly and should neither debate nor adopt resolutions on them unless specifically requested to do so.

4. With regard to the programme budget, he drew attention to rule 153 of the rules of procedure of the General Assembly on statements of programme budget implications and to paragraphs 12 and 13 of General Assembly decision 34/401 on the need to allow sufficient time for the Secretariat to prepare estimates of expenditure arising from draft resolutions and for the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee to consider such estimates. As noted in paragraph 36 of the report of the General Committee, in most cases more than 48 hours were required for the Secretary-General to review the programme budget implications of proposals before the Assembly. Accordingly, he urged delegations to convey to their colleagues in the other Main Committees the importance of ensuring timely consideration of and action on draft proposals with programme budget implications.

5. **Mr. Elhag** (Sudan), speaking on behalf of the Group of 77 and China, said that the Committee's workload had become heavier than ever. It was therefore crucial that Member States receive all relevant documents within established time limits. While the Group of 77 and China welcomed recent improvements in that regard, it reiterated that the ability of Member States to prepare adequately for negotiations was still being hampered by the late issuance of documents.

6. The Group's readiness to consider any item in the programme of work was contingent on the availability of all relevant documents in all six official languages sufficiently in advance to allow it to coordinate its position. Consequently, it was only prepared to accept the tentative programme of work for the first week of the current session.

7. It was imperative to conduct negotiations in an inclusive and transparent manner. The Group was strongly opposed to decision-making in small groups, especially on issues relating to the budget, the scales of assessment and reform, and to the imposition of conditions on negotiations. Separate coordinators should be assigned for the negotiations on the regular-budget scale and the peacekeeping scale. The Group was also opposed to any practices that undermined the Committee's legitimacy and competency in administrative and budgetary matters. By respecting the existing negotiating mechanisms and the sovereign right of every Member State to pronounce on administrative and budgetary matters, the Committee would be able to adopt decisions that were in the interest of the Organization.

8. **Mr. Örnéus** (Sweden), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries

Albania, Montenegro and Serbia; and, in addition, Armenia, the Republic of Moldova and Ukraine, said that the Committee would address many complex and important issues at the current session, including both the regular-budget and peacekeeping scales of assessment for 2010-2012. In that connection, the European Union believed that developing a fair and more balanced way to share budgetary responsibilities was essential to the effective functioning of the Organization.

9. The European Union would study carefully the Secretary-General's proposed programme budget for the biennium 2010-2011 (A/64/6) with a view to achieving greater budgetary discipline and making the most effective use of resources, while still enabling the Organization to carry out its mandates. To that end, the European Union would continue to support the management reform process and efforts to modernize the Organization.

10. It should be possible for the Committee to complete its work by the scheduled deadline of 11 December 2009 without holding night and weekend meetings. In that connection, he stressed the importance of the timely issuance of documents in all official languages. Although there had been some improvement in that regard, important reports were still being issued late. The European Union would not discuss any reports submitted on or after 11 December 2009.

11. **Mr. Heller** (Mexico), speaking on behalf of the Rio Group, said that, owing to their limited capacities, developing countries continued to encounter difficulties in their efforts to mitigate the impact of the current economic and financial crises. The budget of the United Nations should take that into account by making more effective use of the Organization's resources without hindering its ability to carry out its mandates. The Organization should bolster its economic and social development activities and make every effort to allocate its budget equally among the three pillars of peace and security, development and human rights.

12. Although it had taken note of the Secretary-General's prudent approach in the proposed programme budget outline for the biennium 2010-2011 (A/63/600), the Rio Group was nonetheless concerned by the possible allocation of additional resources to projects not included in the budget outline that, if approved, would have significant programmatic and budgetary impact. The inclusion of new needs was, of course, subject to the approval of the General Assembly, in accordance with its resolutions 41/213 and 42/211. The Group agreed with the Advisory Committee that the proposed programme budget should have provided more information on major management issues and structural changes affecting the resource requirements. It should have also drawn a clear link between recent policy initiatives and resource requirements and provided a clear picture of the reform measures that had been taken, their budgetary implications and the efficiency gains derived from the implementation of those measures, as well as an assessment of progress in accomplishing the objectives.

13. The Group looked forward to seeing the results of the Office of Human Resources Management's evaluation of the Organization's recruitment system, as that exercise had led to the postponement of the 2009 national competitive examination. It also looked forward to learning how the Office of Human Resources Management intended to promote a more equitable geographical distribution of Professional posts, particularly those above the P-5 level.

14. With regard to the pattern of conferences, the Group looked forward to the results of the review that had been conducted by the Office of Internal Oversight Services into the circumstances that had led to insufficient conference services being put at the disposal of the Human Rights Council in 2009. It expected that the 13 universal periodic review outcome reports would be translated into all official languages, as agreed at the 2009 substantive session of the Committee on Conferences.

15. The issue of procurement was of the utmost importance to the Rio Group and it trusted that measures were being taken to strengthen further the internal control framework and to increase the participation of developing countries and countries with economies in transition in the bidding for United Nations procurement contracts, as called for in General Assembly resolution 62/269.

16. Stressing the importance of the work performed by the United Nations Regional Centre for Peace, Disarmament and Development in Latin America and the Caribbean (UN-LiREC), he welcomed the Secretary-General's proposal to alleviate the Centre's financial constraints. The Rio Group also supported the

expeditious granting of the exemptions that had been requested under Article 19 of the Charter.

17. **Mr. Sial** (Pakistan) said that his delegation appreciated the balanced programme of work and the designation of coordinators to facilitate negotiations on the various agenda items. He noted that although several General Assembly resolutions emphasized that all documents should be issued in all six official languages six weeks before the opening of the session, failure to comply with those resolutions was now the rule rather than the exception. A significant proportion of important documents were now routinely issued late, and such delays had a serious impact on the quality of the Committee's deliberations. His delegation would like to see the early results of the measures contemplated by the Secretary-General to address the underlying causes of the problem.

18. Member States should request supplementary information from the Secretariat only when absolutely necessary in order to reduce the workload of the Secretariat and smaller delegations and to control the cost of document production.

19. At the sixty-third session, under intense political pressure, the Fifth Committee had been forced to deal with important issues, including peacekeeping budgets, at the last minute. In order to avoid repeating that exercise, it was imperative for the Committee to conclude its work within the time allotted by engaging in informal consultations in a spirit of cooperation and mutual understanding.

20. In view of the strategic value of the proposed programme budget for the biennium 2010-2011 and the scales of assessment, he stressed the need to allocate sufficient time for extensive deliberations. A spirit of transparency and inclusiveness should prevail during negotiations on all items. His delegation wished to reiterate its opposition to decision-making in small groups, especially on issues relating to the budget, the scales of assessment and reform, and to imposing any conditions on the budget negotiations.

21. **Mr. Melrose** (United States of America) said that his delegation looked forward to working constructively with other delegations at the current session.

22. **The Chairman** said he took it that the Committee approved the proposed tentative and provisional programme of work on the understanding that the Bureau would take into account the views expressed and make the necessary adjustments.

23. *It was so decided.*

24. **The Chairman** suggested that a deadline of 20 October should be set for the submission of candidatures for appointments to fill vacancies in subsidiary organs and other appointments and that the elections should be held on 6 November.

The meeting rose at 11 a.m.

United Nations A/C.5/64/SR.2

General Assembly
Sixty-fourth session

Official Records

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16 October 2009

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Fifth Committee

Summary record of the 2nd meeting
Held at Headquarters, New York, on Monday, 5 October 2009, at 10 a.m.

Chairman: Mr. Maurer ..... (Switzerland)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

Contents

Agenda item 136: Scale of assessments for the apportionment of the expenses of the United Nations

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09-54178 (E)

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The meeting was called to order at 10.05 a.m.

Agenda item 136: Scale of assessments for the apportionment of the expenses of the United Nations (A/64/11 and A/64/68)

1. **Mr. Greiver** (Chairman of the Committee on Contributions), introducing the report of the Committee on Contributions on its sixty-ninth session (A/64/11), said that, since the General Assembly needed to adopt a new scale of assessments at its current session, the Committee's work at its sixty-ninth session had focused on the scale for 2010-2012. In the absence of specific guidance from the General Assembly, it had proceeded with its review in accordance with its general mandate under rule 160 of the rules of procedure of the General Assembly and the relevant provisions of General Assembly resolution 58/1 B; it had also recalled the results of its previous reviews.

2. The Committee had reaffirmed its recommendation that the scale of assessments should be based on the most current, comprehensive and comparable data available for gross national income (GNI). While it had met with World Bank and International Monetary Fund representatives to discuss purchasing power parity (PPP) rates, it had reaffirmed its recommendation that conversion rates based on market exchange rates (MERs) should be used for the scale of assessments for 2010-2012, except where that would cause excessive fluctuations and distortions in income, in which case price-adjusted rates of exchange (PAREs) or other appropriate rates should be used. The Committee had agreed that, once chosen, there were advantages in using the same base period for as long as possible. Following consideration of the debt-burden adjustment and the low per capita income adjustment, it had decided to review them further at future sessions in the light of guidance from the General Assembly; it had also reaffirmed that the scale methodology should continue to take into account comparative per capita income. The Committee had recalled the current levels set by the Assembly for the ceiling rate, the ceiling rate for least developed countries and the floor rate. It had also considered the issue of large scale-to-scale increases and discontinuity and, following further discussion of the proposal for automatic annual recalculation of the scale, had decided to carry out a detailed study of that matter at its next session in the light of guidance from the General Assembly.

3. The Committee had taken note of a representation from the Czech Republic, on behalf of the European Union, concerning proposals for a methodology for the preparation of the scale of assessments for 2010-2012.

4. In considering the scale of assessments for 2010-2012, the Committee had had before it statistical information for 2002-2007. The primary source for income data had been the national accounts questionnaire completed for the United Nations by the countries concerned. The Committee had noted that the System of National Accounts, 2008 (2008 SNA) was being implemented and that 132 countries, representing an estimated 95.5 per cent of the total world GNI in 2007, had implemented the System of National Accounts, 1993 (1993 SNA). Information on external debt had been extracted in most cases from the World Bank database. Where no debt data were available after 2002, owing to changes in coverage, the authorities of the countries in question had been approached for alternative data; for those Member States that had not provided it, the Committee had, where applicable, used data from the current scale. In considering which MERs should be replaced in preparing the 2010-2012 scale, the Committee had identified 11 countries for review using the revised criteria outlined in annex II to the report on its sixty-eighth session (A/63/11). A country-by-country assessment of possible exchange rate overvaluation or undervaluation had been conducted for those countries, on the basis of which the Committee had decided to adjust the conversion rate of Iraq. In keeping with past practice and its recommendations on the scale methodology, it had decided to use MERs for the other 10 countries, although some members had considered that adjustments should also be made in those cases. The Committee had also examined the case of countries deemed to warrant review in light of a number of other factors outlined in paragraph 67 (b) of the current report (A/64/11); based on that review, it had decided to use United Nations operational rates of exchange for the Democratic People's Republic of Korea, Myanmar and the Syrian Arab Republic. In order to identify the impact of new data on the scale of assessments for 2010-2012, the Committee had applied the new data to the methodology used in preparing the scale for 2007-2009, and had included the results in its report (A/64/11) for information.

5. Upon reviewing the report of the Secretary-General on multi-year payment plans (A/64/68), the

Committee had noted that Tajikistan had paid its arrears, resulting in the successful implementation of its multi-year payment plan during the first half of 2009. Such plans continued to be a viable means for Member States to reduce their unpaid assessed contributions and to demonstrate their commitment to meeting their financial obligations to the United Nations.

6. The Committee had considered six requests for exemption under Article 19 of the Charter. Two Member States requesting exemptions had also submitted multi-year payment plans; all Member States that requested exemptions were encouraged to present such plans. The Committee had concluded that the failure of the six Member States to pay the minimum amount required to avoid the application of Article 19 had been due to conditions beyond their control and recommended that they should be permitted to vote until the end of the sixty-fourth session of the General Assembly.

7. The Committee had recommended that the annual assessment of the remaining non-Member State of the United Nations, the Holy See, should continue to be based on 50 per cent of its notional rate of assessment, which should be fixed at 0.001 per cent for 2010-2012. It had noted that six Member States, in arrears in the payment of their assessed contributions under the terms of Article 19 of the Charter, had been permitted to vote in the Assembly until the end of the sixty-third session, while one Member State in arrears, namely Chad, had had no vote. The Secretary-General had accepted in 2008 the equivalent of $54,648 in a currency other than the United States dollar.

8. **Mr. Berridge** (Chief, Contributions and Policy Coordination Service), introducing the report of the Secretary-General on multi-year payment plans (A/64/68), said that the report provided information on the payment plans submitted by Liberia, Sao Tome and Principe and Tajikistan and the actual payments made under those plans. Subsequent to the preparation of the report, Tajikistan had made payments resulting in the full implementation of its plan. The updated situation for the two remaining plans was described in the report of the Committee on Contributions (A/64/11). While a number of other Member States had indicated that they were considering the submission of a plan, no other multi-year payment plans had thus far been submitted.

9. **Mr. Elhag** (Sudan), speaking on behalf of the Group of 77 and China, reaffirmed the Group's position that the resources provided to the United Nations must be commensurate with its mandates and that all Member States should therefore pay their assessed contributions on time, in full and without conditions. The decisions of the General Assembly on the agenda item under consideration should, however, take full account of the genuine difficulties that temporarily prevented some developing countries from fulfilling their financial obligations.

10. The Group stood ready to adopt immediately the scale of assessments for 2010-2012, as prepared on the basis of the current methodology, and it strongly urged all its partners to take the same stance. Any attempt to change the methodology in order to further shift the burden of financing the Organization to developing countries would only entail divisive, unproductive discussions with no meaningful outcomes. As a result of maintaining the current scale methodology, the contribution rates of most developing countries for 2010-2012 would undergo substantial increases, which those countries were prepared to accept in order to fulfil their responsibilities as stakeholders in the Organization. The Group reaffirmed the principle of capacity to pay as the fundamental criterion in the apportionment of the expenses of the United Nations and emphasized that the core elements of the current scale methodology were non-negotiable and must be kept intact. That said, the current ceiling rate of 22 per cent, established as a political compromise, ran counter to the principle of capacity to pay and represented a fundamental source of distortion in the scale of assessments. The General Assembly should therefore undertake a review of that arrangement, pursuant to paragraph 2 of its resolution 55/5 C. While the Group stood ready to adopt the scale for 2010-2012 without delay, it was also prepared for a serious discussion on the ceiling rate if its partners wished to examine the various elements of the current methodology.

11. The Group endorsed the recommendation of the Committee on Contributions to allow the six States that had applied for Article 19 exemptions to continue voting until the end of the sixty-fourth session. It appreciated the efforts of those Member States that had submitted multi-year payment plans and honoured their commitments under them; however, such plans should remain voluntary, should not be used to exert pressure

on the Member States concerned, and should absolutely not be included as a factor when considering exemption under Article 19 of the Charter.

12. Finally, he reiterated the Group's strong opposition to decision-making on the agenda item in small group configurations. Negotiations must be conducted in an open, inclusive and transparent manner, without the imposition of any conditionalities.

13. **Mr. Lidén** (Sweden), speaking on behalf of the European Union; the candidate countries Croatia and the former Yugoslav Republic of Macedonia; the stabilization and association process countries Albania, Montenegro and Serbia; and, in addition, Armenia and the Republic of Moldova, said the European Union had consistently maintained that the payment of assessed contributions on time, in full and without conditions was a fundamental duty of all Member States. Nevertheless, it recognized that some States might face genuine difficulties in discharging that duty for reasons beyond their control. It noted with concern the continuing increase in the accumulations of arrears of some Member States, the fact that no new multi-year payment plans had been submitted; and the failure of some Member States to adhere to the plans already submitted. In that connection, it encouraged further efforts by the Member States in question to reduce their unpaid assessed contributions and urged the Central African Republic to submit and follow a multi-year payment plan. Despite its concerns, the European Union stood ready to endorse the recommendations of the Committee on Contributions that the six States requesting Article 19 exemptions should be permitted to vote in the General Assembly until the end of the sixty-fourth session.

14. The European Union continued to stress the importance of capacity to pay as the basis for Member States' contributions. However, it considered that the current scale of assessments did not truly reflect existing economic realities and, hence, did not embody that principle. The assessed contribution of the European Union member States, for example, was significantly higher than their share of the world economy. It was therefore important to ensure that the scale of assessments for 2010-2012 more accurately and fairly reflected the capacity to pay of each Member State. While significant relief was certainly needed for the most vulnerable countries, some major emerging economies had seen substantial growth in the past decade and should assume a larger share of the Organization's expenses.

15. The low per capita income adjustment was an important element designed to provide relief to developing countries; however, its effect had been to restrict relief to a handful of Member States with a significant share of world GNI, while providing little benefit for the least developed countries. That issue should be addressed to ensure that the effects of the adjustment were consistent with the original intention. Similarly, the debt-burden adjustment should be re-examined, since it did not take full account of the data now available, especially in relation to public debt. The use of such data would better reflect the responsibility of the Government in question and would better correspond to the original intent. Such balancing adjustments would address the flaws of the current scale methodology, without affecting the majority of countries. For the European Union, maintaining the status quo was no longer a solution.

16. **Ms. Pataca** (Angola), speaking on behalf of the African Group, reiterated that the expenses of the Organization should be apportioned among Member States according to capacity to pay. Bearing in mind that the report of the Committee on Contributions (A/64/11) reflected an increase in the assessed contributions of many developing countries, including African States, while those of developed countries had significantly decreased owing to the financial downturn, the Group considered that the current scale methodology remained valid and to a major extent reflected a true picture of the global financial situation. It must therefore be kept intact and not reviewed.

17. While the Group recognized that making financial contributions to the United Nations was an obligation of every Member State, it also noted that circumstances beyond the control of six Member States had made it difficult for them to fulfil those obligations. It therefore supported the recommendation that the six Member States in question should be granted Article 19 exemptions that would permit them to vote until the end of the sixty-fourth session of the General Assembly.

18. **Mr. McNee** (Canada), speaking also on behalf of Australia and New Zealand, said that the three delegations fully endorsed the recommendation of the Committee on Contributions that the six Member States requesting Article 19 exemptions should be

permitted to vote until the end of the sixty-fourth session of the General Assembly.

19. The scale of assessments was the practical means of implementing Member States' shared responsibility for the functioning of the United Nations. The three delegations therefore remained committed to the principle of capacity to pay as the fundamental criterion governing the scale; in 2006, they had resisted proposals that could have brought them short-term gain because such proposals weakened the application of that principle. In their judgement, the current methodology did not adequately reflect the principle of capacity to pay and should be adjusted in order to arrive at a fairer, more balanced and more representative scale of assessments. In particular, the low per capita income adjustment applied the same discount rate to all countries falling below the threshold, without taking into account differences in capacity. As a result, much of the benefit went to a small number of large developing countries. Although the three delegations supported the concept and continued application of the adjustment, they considered that smaller developing countries should derive greater benefit from it and that the definition of the eligibility threshold should be given more attention. The debt-burden adjustment also had little or no demonstrable link to capacity to pay, as the effects of debt-servicing costs were already taken into account in the current measure of GNI. If that adjustment were to be retained, it should at least reflect the more accurate data for public debt now available, as a means of improving the measurement of capacity to pay.

20. **Ms. Azmee** (Malaysia) said that various socio-economic factors affecting the well-being of Member States must be considered during the formulation of the scale of assessments, which should continue to be governed by the principle of capacity to pay. The scale should reflect fair and balanced rates of assessment agreed upon by all Member States and based on the most current, comprehensive and comparable data available for GNI.

21. Her delegation supported the recommendation of the Committee on Contributions that MERs should be used in reviewing the scale of assessments for the period 2010-2012, with the judicious use of PAREs or other appropriate conversion rates to avoid excessive fluctuations and distortions in the income of certain Member States. The same base period should be maintained for as long as possible for the sake of stability and predictability in the scale over the course of consecutive periods. Since it would be impossible to determine a scale of assessments that would satisfy all Member States, the imperative was to avoid drastic changes in Member States' assessments. Above all, the United Nations must be given adequate and stable funding so that it could implement all of its mandates satisfactorily. She hoped that, to that end, all Member States would continue to pay their assessed contributions without any conditions attached.

22. **Mr. Melrose** (United States) said that complex technical and policy considerations went into formulating the scale of assessments to share the financial burden of United Nations activities equitably among Member States. When, in 2006, the Committee had last addressed the scale of assessments for the regular budget, proposals to change virtually every aspect of the methodology had been set aside for lack of consensus. His delegation remained convinced that the methodology could be improved by focusing on a number of underlying principles.

23. It was recognized that all Member States were responsible for meeting the financial obligations of the Organization and that the scale of assessments should be broadly based on capacity to pay. His delegation was of the view, however, that the United Nations should not be overly reliant on contributions from any one Member State. That principle had been central to the scale methodology from the inception of the Organization; to it could be added the principle of fairness. While some might argue that fairness was inherent in the principle of capacity to pay, others would argue that it depended on how that principle was applied. In the years since 2006, a global financial crisis had affected every country's economy. All Member States must work together, on the basis of the principles enumerated, to address the important issue before them.

24. **Mr. Heller** (Mexico) said that the current methodology must be changed if Member States intended to fulfil General Assembly decisions according to which they would bear the expenses of the Organization based on their capacity to pay. For the sake of consensus, his delegation had agreed to the current methodology during the previous two reviews of the scale of assessments, but that was no longer possible. Mexico would never hesitate to meet its financial obligations to the Organization. Nevertheless, it could not continue subsidizing Member States —

both developed countries and other developing countries — that had a higher capacity to pay. If the Organization was being called upon to reflect current realities when Member States deliberated political issues, then the same must hold true when they deliberated its finances.

25. Unfortunately, the Committee on Contributions had become engaged in a political dynamic that had impaired its ability to make specific recommendations on elements of a scale of assessments that would truly reflect Member States' capacity to pay. The Fifth Committee should thoroughly analyse every element of the current scale, including the debt-burden adjustment, which should be based on debt flows rather than debt stock; the low per capita income adjustment, which was too broad and affected middle-income countries disproportionately; the income measure; and the ceiling. The current methodology was technically questionable, politically unacceptable and financially unviable: it was the Committee's duty to review it and then to adopt the fairest possible scale of assessments.

26. **Mr. Cumberbatch** (Cuba) said that the scale of assessments was one of the main elements ensuring the equitable participation of all Member States in United Nations activities. The current methodology allowed a balanced measurement of their capacity to pay. The single flaw in the methodology was the ceiling that Member States had adopted under duress. Despite that measure, the Committee had witnessed, in recent sessions, attempts to transfer more of the financial burden to developing countries, quite contrary to the principle of capacity to pay.

27. He was dismayed to see an increasing share of the United Nations budget being devoted to issues of peace and security, rendering the Organization a de facto military pact, while ever fewer resources were directed towards economic and social development. Pressure was being exerted to silence developing countries in the decision-making process as a small group of Powers attempted to make decisions for all, thereby breaching the essential notion of democracy in the deliberations of the United Nations. Although it suffered from a unilateral embargo that affected its ability to pay its contributions, Cuba was fulfilling its financial obligations to the United Nations and would oppose any attempt to modify the scale of assessments that might further limit the democratic participation of developing countries in the Organization's work.

28. His delegation favoured the swift adoption of a draft resolution allowing the recommended exemptions under Article 19 of the Charter for those States that had been unable to settle their arrears owing to circumstances beyond their control.

29. **Mr. Tsymbaliuk** (Ukraine) said that a fair, balanced and depoliticized approach was required in discussing the scale of assessments. The current scale, a result of lengthy negotiations among Member States, should not undergo any drastic changes. Furthermore, consideration of the scale should not become an annual exercise.

30. The principle of capacity to pay should remain the basis for Member States' contributions. The use of purchasing power parity to calculate conversion rates would reflect capacity to consume rather than capacity to pay, in violation of rule 160 of the rules of procedure of the General Assembly, and should therefore no longer be considered in future deliberations of the Committee on Conferences. Price-adjusted rates of exchange should be used for those countries whose GNI would be significantly distorted with the application of market exchange rates. The low per capita income adjustment was an important part of the current scale and should be retained in its current form. Longer base periods — preferably six years — would provide greater stability in the scale and smooth out fluctuations in the income calculated for Member States. Large scale-to-scale increases could be avoided by adopting a scale of assessments in which increases of over 50 per cent were phased in gradually.

31. Ukraine endorsed the recommendations of the Committee on Contributions on exemptions from the application of Article 19 of the Charter to allow the Member States in question to vote until the end of the sixty-fourth session of the Assembly.

32. **Mr. Sumi** (Japan) said that his Government had paid its contributions faithfully, despite the huge debt that it was shouldering and the serious effects that the financial and economic crisis was having on Japan's economy. The principle of capacity to pay should continue to apply in calculating Member States' contributions. The report of the Committee on Contributions (A/64/11) showed substantial deviations between the GNI shares of individual States before and after the application of adjustments such as the low per capita income adjustment. The assessment rates of some Member States with large GNI shares were much

lower than warranted by their capacity to pay — and their influence within the Organization — while Japan's rate was some 30 per cent higher than its GNI share. The Fifth Committee must address that deviation from the basic principle of capacity to pay and, cognizant of the rapidly changing world economic situation, must find a more equitable methodology based on the most current, comprehensive and comparable data available. Despite the regrettable fact that the General Assembly had been unable to give the Committee on Contributions any specific guidance at the Assembly's sixty-third session, Member States should base their discussions of the scale of assessments on the report before them.

33. Lastly, Japan endorsed the Committee's recommendations on waiving the application of Article 19 to the six Member States in question.

34. **Mr. Prokhorov** (Russian Federation) said that the basic principle of United Nations funding was the equitable distribution of expenses among Member States, which must pay their contributions in full, on time and without conditions if the Organization was to carry out its increasingly complex mandates. That principle was all the more crucial at a time when economic crisis made it more difficult for them to meet their financial obligations. The members of the Fifth Committee were bound to come under greater pressure from their Governments during the deliberations on the issue at hand, but they must avoid politicizing what should remain a fundamentally technical discussion.

35. His delegation appreciated the work undertaken by the Committee on Contributions in examining the scale methodology and alternative proposals on how to calculate GNI. Using capacity to pay rather than purchasing power was the fairest means of apportioning the expenses of the United Nations; that was also precisely what made the Organization a truly universal body, in which each Member State had one vote regardless of its contribution to the budget. It was unfortunate that the Committee on Contributions had failed to reach unanimity on replacing market exchange rates with price-adjusted rates of exchange despite the information provided by the Secretariat on that matter. Applying PAREs was an important mechanism that would help avoid distortions in calculating the GNI of any country when converted into United States dollars, a currency that was influenced by many financial processes. The current methodology for formulating the scale of assessments, which had resulted from long and difficult negotiations, did not require any major changes for the immediate future.

36. The Russian Federation had no objection to granting voting rights until the end of the sixty-fourth session of the Assembly to the States whose arrears fell within the meaning of Article 19 of the Charter.

37. **Mr. Gürber** (Switzerland), speaking also on behalf of Liechtenstein, said that the United Nations could operate properly only if Member States met their financial obligations in accordance with the Charter. Switzerland had always done so and would make every effort to continue that practice. Nevertheless, the six Member States that had been unable to pay their contributions on time due to conditions beyond their control should be permitted to vote until the end of the sixty-fourth session of the General Assembly.

38. He commended the decision by major contributors to pay off their arrears, but was concerned that the arrears of some Member States continued to grow. Noting that multi-year payment plans had been a useful tool for addressing such situations, as illustrated by the commendable examples of Tajikistan and Liberia, he encouraged all States with significant arrears to intensify their efforts to reduce them and to demonstrate their commitment to the United Nations by submitting such plans.

39. Turning to the methodology for the scale of assessments, he underlined that the current methodology provided a reliable framework that should not be substantially changed. Nevertheless, given the growth patterns in different parts of the world since the previous revision of the methodology, it was unlikely that the current distribution of assessments sufficiently reflected actual capacity to pay. He hoped that the Committee's deliberations would result in a burden-sharing arrangement that all Member States perceived as more equitable. Delegations should focus less on how the scale affected individual assessments and more on whether it would enhance the financial stability and authority of the Organization. Furthermore, calculation of the scale should be simple and transparent; there should be no additions or changes that made the methodology more complicated.

40. The next scale of assessments would be applied in the period 2010-2012, yet it was based on data ranging from 2002 to 2007 that no longer reflected Member States' current economic status or capacity to

pay. To correct the discrepancy, the time lag between data collection and the assessment period, which would probably have the greatest effect on the countries that had been hit hardest by the financial and economic crisis, should be reduced. Other options would be to reduce the base period or to recalculate rates annually, provided that such recalculation was a purely technical process. With respect to the low per capita income adjustment, there was merit in creating a neutral zone, as explained in paragraph 43 of the report (A/64/11), to avoid abrupt rate increases despite relatively small GNI growth.

41. **Mr. Liu** Zhenmin (China) said that capacity to pay should remain the cornerstone of the scale methodology, as it had been since the United Nations was established. Per capita income must be taken into account when measuring a Member State's capacity to pay: it would be unfair to overemphasize gross national income and disregard the size of a country's population. The low per capita income adjustment, whose criteria were applicable to every Member State, was crucial in alleviating payment difficulties for those Member States that qualified. China's per capita GNI of $3,000 was still far below the world average, which was used as the threshold for the low per capita income adjustment. By the World Bank standard, the country had 250 million people living in poverty. Economic development, poverty eradication and modernization remained daunting challenges for China, whose specificities should be taken into account when determining its capacity to pay. Any proposal to limit the rate of adjustment ran counter to that principle.

42. Stability in the scale of assessments was key. The current scale was the outcome of long, painstaking negotiations in which different viewpoints and proposals had been considered. Having been applied for three consecutive periods, it had served Member States well and should be maintained, not least to ensure stable and sound financing for the United Nations. Moreover, with the global economic crisis deepening, it was inadvisable at present to make any major adjustments to the scale.

43. As a responsible developing country, China had always honoured its financial obligations to the Organization. Despite enormous losses from natural disasters in 2008 and the unprecedented level of its deficit, it had paid its assessed contributions in full and on time and, as a permanent member of the Security Council, had assumed additional financial obligations in peacekeeping. China's assessment rate had increased threefold in just seven years and would grow by a further 20 per cent with the current methodology. His delegation would nevertheless accept that rate, provided that the existing methodology for calculating the scale of assessments was retained.

44. **Mr.** Manjeev **Puri** (India) said that the current scale methodology, which had evolved over the decades as a result of lengthy deliberations by the members' predecessors, truly reflected the inviolable principle of capacity to pay and accounted for changes in the relative growth rates of Member States. Most developing countries would see a substantial increase in their assessed contributions in 2010-2012 based on the current scale of assessments. Although those countries were not responsible for the global economic and financial crisis, they had been hit the hardest by it and should not be asked to shoulder an even greater burden in the financing of the United Nations.

45. It was in the interest of all to maintain the current methodology, since any attempt to change it would unravel the consensus that had been achieved over the years. His delegation would therefore welcome the immediate adoption for 2010-2012 of the existing scale methodology, thus saving on precious conference resources and allowing more time for the deliberation of other pressing issues.

46. All Member States should pay their assessed contributions in full, on time and without conditionality, particularly since they had been determined by the General Assembly on the basis of clear and unanimously agreed guidelines. Nonetheless, India endorsed the recommendations of the Committee on Contributions on exemptions to the application of Article 19.

47. **Mr. Natalegawa** (Indonesia) said that his delegation was opposed to any proposal that deviated from the principle of capacity to pay, which represented the general consensus of the broad membership and had been reaffirmed by numerous General Assembly resolutions. The low per capita income adjustment should continue to be used, as that was the best way to measure Member States' actual capacity to pay. The current scale methodology, which represented a negotiated consensus, should be retained in preparing the 2010-2012 scale in order to ensure stable and predictable financing for the United Nations as it underwent numerous reforms.

48. While world leaders had consistently declared their commitment to the United Nations, the fact remained that the Organization's proposed budget for the biennium 2010-2011 represented only 0.009 per cent of estimated global gross national income for 2010. Granted, many Member States were enduring difficulties due to the global financial crisis. Despite its promising economic development in recent years, Indonesia still faced daunting challenges and its per capita GNI was outranked by that of over a hundred other States. Nevertheless, it was prepared to make an even greater contribution to the United Nations — calculated to increase by some 48 per cent — provided that the existing scale methodology was maintained.

The meeting rose at 12.10 p.m.

United Nations A/C.5/64/SR.3

General Assembly
Sixty-fourth session

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Fifth Committee

Summary record of the 3rd meeting
Held at Headquarters, New York, on Tuesday, 6 October 2009, at 10 a.m.

Chairman: Mr. Maurer ..... (Switzerland)
later: Mr. Rosales Díaz (Vice-Chairman) ..... (Nicaragua)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

Contents

Agenda item 136: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*)

Agenda item 145: Scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations

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09-54361 (E)

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The meeting was called to order at 10.05 a.m.

Agenda item 136: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*) (A/64/11 and A/64/68)

1. **Mr. Badji** (Senegal) stressed the importance of maintaining a floor rate for the least developed countries in order to take account of their particularly fragile economic situation. Although the economic and financial crisis had affected all countries, both rich and poor, it should not be used as a pretext to question the principle of capacity to pay or to attempt to change the methodology used for the scale of assessments with a view to increasing the contributions of poor countries, especially those in Africa. It was vital not to place on those countries an additional burden that they could not meet. Since Senegal was already committed to major investments in the areas of infrastructure, education, health and poverty eradication, aimed at accelerating progress towards meeting the Millennium Development Goals, it could not join in any compromise likely to increase significantly the assessed contributions of the least developed countries. A fair and equitable solution that took account of the interests of all Member States must, instead, be found.

2. **Mr. Safaei** (Islamic Republic of Iran) said that his delegation fully supported the recommendation of the Committee on Contributions to permit those Member States that had requested exemptions under Article 19 of the Charter to vote until the end of the sixty-fourth session of the General Assembly.

3. Since the Committee on Contributions was the sole expert body mandated to advise the General Assembly on the scale of assessments, its report should provide a comprehensive platform for the Assembly's discussions. Member States must be assured that every effort had been made to obtain accurate information on their national economies and that the Committee's recommendations were indeed based on the most current, comprehensive and comparable data available for gross national income (GNI).

4. The decision to establish a reduced ceiling of 22 per cent had been a political compromise aimed at improving the financial situation of the United Nations. Bearing in mind that General Assembly resolution 55/5 C provided for a review of the matter, he expressed concern that the Secretariat had not provided the Fifth Committee with information on the application of the current methodology without the 22 per cent ceiling, and that the report of the Committee on Contributions (A/64/11) did not refer to such a review.

5. His delegation was also concerned that, although General Assembly resolution 55/5 B provided for the application of specific measures in the event of excessive fluctuations and distortions, many developing countries faced significant increases in their assessments at a time when their economies were experiencing considerable difficulties. Since that clearly undermined their capacity to pay, the report of the Committee on Contributions should have contained concrete proposals for avoiding such increases. Instead, the Committee had not even recommended addressing them by means of a phasing-in mechanism. The decisions of the General Assembly on the agenda item under consideration must take account of the special difficulties faced by developing countries.

6. **Ms. Jónsdóttir** (Iceland) said that financial responsibilities should be shared among the Member States of the United Nations on the basis of fairness and the principle of capacity to pay. Her delegation concurred with the Committee on Contributions that the best way to embody that principle was to use the most current and comprehensive GNI data available. As a result of sweeping changes in the world economy, accentuated by the recent global financial turmoil, the current scale of assessments no longer reflected economic realities. Based on the current methodology, her country's assessed contributions for 2010-2012, for example, would be over 27 per cent higher than warranted by its share of the world economy, as calculated by the Committee on Contributions. Such discrepancies were clearly not in line with the principle of capacity to pay, and some adjustments were therefore needed to ensure that the scale of assessments remained fair and equitable. While her delegation acknowledged that other considerations, including the need to provide relief to the most vulnerable countries, must also be taken into account in establishing the scale, some countries that had experienced buoyant economic growth in recent years should now assume a share of the regular budget more in line with their position in the world economy.

7. **Mr. Yaroshevich** (Belarus) said that the Committee on Contributions had made a number of contradictory recommendations. In particular, he questioned its decision not to adjust the conversion rates of all 11 countries identified for review under the

criteria outlined in paragraph 67 (a) of its report (A/64/11). Recalling that the Committee on Contributions had previously adopted a formula by means of which price-adjusted rates of exchange (PAREs) would be used for countries whose per capita GNI growth in United States dollars exceeded 1.5 times the world per capita GNI growth factor, he said that since Angola, Armenia, Azerbaijan, Belarus, Equatorial Guinea, Georgia, Iraq, Kazakhstan, Romania, the Russian Federation and Ukraine all fell into that category, PAREs should be applied to them. As already pointed out by Ukraine and the Russian Federation at the Fifth Committee's 2nd meeting, the proposal not to use the PARE mechanism for the entire cluster of countries was in breach of long-standing practice. The replacement of market exchange rates (MERs) by PAREs for all 11 countries would establish their assessed contributions at an appropriate level and was necessary in order to restore justice.

8. **Ms. Molemele** (Botswana) said that her delegation concurred with the recommendations of the Committee on Contributions regarding exemptions under Article 19 of the Charter. She also commended the political will shown by Liberia to meet its financial obligations to the United Nations by adopting a multi-year payment plan and making annual payments under the plan that so far had exceeded its assessed contributions.

9. **Mr. Rahman** (Bangladesh), reiterating his delegation's long-standing position that Member States must fulfil their financial obligations on time, in full and without conditions, said that the scale of assessments for 2010-2012 should reflect the principle of capacity to pay, determined on the basis of recent GNI data converted at market exchange rates, except where that would cause excessive fluctuations and distortions in income. Purchasing power parity (PPP) was neither reliable nor appropriate as an element of the scale, among other reasons because the basket of goods used to estimate PPP was not homogenous across countries. The updated scale must be based on the current methodology, maintaining the floor rate at 0.001 per cent and the least developed countries ceiling at 0.01 per cent. The base period, debt-burden adjustment and low per capita income adjustment, which the Committee on Contributions had decided to consider further at future sessions, were also crucial in order to reflect accurately the true capacity to pay of Member States.

10. His delegation strongly supported the conclusions of the Committee on Contributions regarding the requests for Article 19 exemptions received from six Member States, and its recommendation to allow those countries to vote until the end of the sixty-fourth session of the General Assembly.

11. It was vital to obtain reliable, verifiable and comparable statistical data from authentic Government sources. Yet, in the case of Member States from which replies to the national accounts questionnaire had not been received, information was sometimes collected from the websites of their central banks or ministries of finance. Since data on websites were not always updated, that practice might result in the erroneous assessment of contributions. The Committee on Contributions should therefore consider involving the permanent missions to the United Nations in the collection of statistical information.

12. **Mr. Seyla** (Cambodia) said that the new scale of assessments should be based on the methodology used for the 2007-2009 scale, since the existing methodology reflected the fundamental principle of capacity to pay and had been negotiated in a consultative process involving all Member States. It was important not to further complicate matters by introducing new, disputable, elements of concern to most delegations, including his own. It was his clear understanding that the overwhelming majority of Member States shared his delegation's view.

13. **Mr. Al-Dhabiri** (Kuwait) said that capacity to pay should remain the fundamental criterion in the apportionment of the expenses of the United Nations. Any future scale should not increase the rates of assessment of developing countries. Yet the current economic and financial crises would lead to a significant increase in the rates of assessment of developing countries, including Kuwait, even though they had not been in any way responsible for causing those crises.

14. His delegation supported the multi-year payment option as that gave Member States the opportunity to satisfy their obligations to the Organization. It also supported the recommendation of the Committee on Contributions regarding the exemptions requested under Article 19 of the Charter.

15. The Committee on Contributions should continue to determine rates of assessment using current methodologies. There should be no arbitrary increases

in the rates of developing countries as that would result in a distortion of the scale with a negative effect on capacity to pay.

16. **Mr. Seyoum** (Eritrea) said that it was important not to allow the work of the Fifth Committee to become politicized, since that would hinder its members' ability to fulfil their common purpose. He urged all delegations to maintain a human face in their deliberations and focus on what they could do together to make a positive difference in the lives of the people they served.

17. His delegation considered that it would be in the interest of all Member States to apply the current methodology in preparing the scale of assessments for 2010-2012, notwithstanding the undesired consequences for some developing countries, since it was based on the fundamental principle of capacity to pay and had served the Organization well. He looked forward to the Committee's unanimous adoption of a draft resolution that would permit the six States that had applied for Article 19 exemptions to vote until the end of the sixty-fourth session of the General Assembly.

18. *Mr. Rosales Díaz (Nicaragua), Vice-Chairman, took the Chair.*

19. **Mr. Koumato Kibgue** (Chad) said that while, owing to administrative constraints, his country had been in arrears in the payment of its assessed contributions on 26 June 2009, when the Committee on Contributions had concluded its sixty-ninth session, it had now met all its financial obligations to the United Nations and was no longer subject to the application of Article 19 of the Charter. It had, in fact, contributed in excess of the amount outstanding, in anticipation of future obligations to the regular budget.

20. **Mr. Greiver** (Chairman of the Committee on Contributions) noted that the Committee's work had been made more difficult at its sixty-ninth session by the absence of any precise instructions from the General Assembly; it had therefore had to take a pragmatic decision on how to proceed with its review. All the comments and opinions expressed by delegations were valuable and would be duly transmitted to the Committee. Lastly, Chad was to be congratulated for having completed the payment of all its arrears in contributions since the conclusion of the Committee's session on 26 June 2009.

Agenda item 145: Scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations (A/64/220)

21. **Mr. Yamazaki** (Controller), introducing the report of the Secretary-General on the implementation of General Assembly resolutions 55/235 and 55/236 (A/64/220), said that the Assembly, in its resolution 61/243, had decided to carry out a review of levels of contribution for peacekeeping operations at its sixty-fourth session, and had also requested the Secretary-General to report to it on the updating of the composition of levels of contribution for peacekeeping operations for the period 2010-2012.

22. By its resolution 55/235, the Assembly had established a new system of adjustment of regular budget scale rates in determining Member States' rates of assessment for peacekeeping operations. That system was based on a number of criteria, including a comparison of the average per capita gross national income of each Member State during the six-year base period used for preparing the scale of assessments with the corresponding average for all Member States. The criteria were used to place Member States in one of 10 categories, from A to J.

23. The Secretariat, acting on the basis of resolution 55/235 and the practice adopted by the Assembly for the composition of levels for the period 2001-2003, had updated the composition of levels for the periods 2004-2006 and 2007-2009 using average GNI data for the six-year base period used by the Committee on Contributions in considering the scales of assessment for those same periods.

24. In updating the composition of levels of contribution for peacekeeping operations for the period 2010-2012, the Secretariat had been guided by the provisions of resolutions 55/235 and 55/236, the understanding of the mandates therein as outlined in earlier reports, and the practice adopted by the Assembly in fixing the composition of levels for earlier periods. Accordingly, data for the period 2002-2007 had been used in updating the composition of levels for 2010-2012. The composition of levels had been updated pursuant to resolution 55/235 on the basis of each Member State's average per capita GNI for 2002-2007 compared to the membership average of $6,707.92. The updated composition of levels also took into account a request from Hungary regarding its voluntarily established level.

25. The updated composition of levels, subject to adjustments by the General Assembly, would be used together with the scale of assessments for 2010-2012 to establish each Member State's peacekeeping rate of assessment. Until a new regular budget scale was adopted, it would not be possible to determine the corresponding rates of assessment for peacekeeping operations. However, in order to facilitate the Assembly's review of the structure of contributions for peacekeeping operations, the report (A/64/220) presented peacekeeping rates of assessment corresponding to the scale for 2010-2012 included for information in the report of the Committee on Contributions (A/64/11).

26. **Mr. Elhag** (Sudan), speaking on behalf of the Group of 77 and China, said that peacekeeping was one of the most important functions of the United Nations and peacekeeping operations should be provided with all resources required to carry out their mandates.

27. The Group affirmed that the current principles and guidelines for the apportionment of the expenses of peacekeeping operations should serve as the basis for any discussion of the peacekeeping scale. That scale should clearly reflect the special responsibilities of the permanent members of the Security Council for the maintenance of peace and security. Economically less developed countries had a limited capacity to contribute to the budgets of peacekeeping operations, therefore any discussion of the system of discounts applied in calculating the peacekeeping scale should take into account the situation of developing countries, whose current positions should not be negatively affected.

28. Member States should reaffirm the principles that underlaid the financing of peacekeeping operations and give special consideration to the least developed countries, many of which were the focus of peacekeeping operations, in view of their situations.

29. The Group was profoundly concerned that the automatic application of the current system of discounts had resulted in a situation whereby some developing countries had been assigned to level B, the de facto level for the developed world, and forced to relinquish their discounts. Since no developing country should be classified above level C, the anomolies in the current system of discounts should be corrected in order to ensure a fair and just distribution of the levels of discount. Such a corrected system of discounts should be adopted without delay so that it could be used in the preparation of future peacekeeping scales.

30. He reaffirmed the Group's position that the full and timely payment by Member States of their assessed contributions to the budgets of peacekeeping operations was a collective responsibility. The Group stood ready to assume its obligations under a fair and just system of discounts, one that took fully into account the principles that governed the apportionment of the expenses of peacekeeping operations.

31. Any negotiations on the peacekeeping scale should be conducted in an inclusive and transparent manner in order to uphold the legitimacy and competency of the Committee as the sole Main Committee of the General Assembly entrusted with responsibilities for administrative, financial and budgetary matters. The Group was strongly opposed to decision-making in small groups and to the imposition of conditions on negotiation.

32. **Mr. Örnéus** (Sweden), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Montenegro and Serbia; and, in addition, Armenia, Republic of Moldova and Ukraine, said that the regular budget and peacekeeping scales should ensure a fair and balanced distribution of financial responsibilities among Member States. However, the methodology used to set the regular budget scale had led to a situation whereby the European Union was contributing at a rate that was far in excess of its share of global wealth.

33. Maintaining international peace and security — a core activity of the United Nations — was a collective responsibility. The European Union, the chief contributor to the peacekeeping budgets, remained committed to providing adequate and efficient backing for peacekeeping operations. The reform of the peacekeeping scale in 2000 had been intended to provide an equitable and therefore sustainable basis for that essential task.

34. Although the peacekeeping scale should reflect the fundamental principle of capacity to pay and the special responsibilities of the permanent members of the Security Council for the maintenance of international peace and security, it should be so organized that all Member States were incentivized to take responsibility for effective management and

responsible budgeting, and the level of surcharge and contributions of those members should be sustainable. The reductions granted to developing countries had been a solidarity measure and were meant to complement the mechanisms already in place in the regular budget scale.

35. The European Union reaffirmed its support for the principles that underlaid the current methodology for the apportionment of peacekeeping expenses. However, a new analysis of that methodology could help ensure that the scale better reflected the principle of capacity to pay.

36. **Ms. Pataca** (Angola), speaking on behalf of the Group of African States, said that she trusted that, unlike at the sixty-third session of the General Assembly, there would be no attempt to make arbitrary cuts in the budgets of peacekeeping operations at the current session.

37. The current system of discounts in the peacekeeping scale recognized the individual capacities of Member States to contribute to the budgets of peacekeeping operations. However, the automatic application of that system had resulted in a situation whereby developing countries were placed in level B and forced to relinquish their discounts. The system should therefore be adjusted in order to ensure fair and just distribution of the levels of discounts.

38. Full and timely payment by Member States of their assessed contributions to the budgets of peacekeeping operations was a collective responsibility. In that connection, the Group was ready to retain the current methodology on condition that no developing country would be classified above level C. It also noted with appreciation that the exemptions requested under Article 19 of the Charter had been granted.

39. **Mr. Bart** (Saint Kitts and Nevis), speaking on behalf of the Caribbean Community (CARICOM), said that by maintaining the current methodology for the peacekeeping scale, which gave undue weight to GNI in determining a country's capacity to pay, the majority of developing countries would see substantial increases in their contribution rates for the period 2010-2012, even as their capacity to pay had been undermined by the global crisis.

40. The undue weight assigned to GNI did not reflect economic realities and had led to a situation whereby the Bahamas, a small island developing State, had been moved to level B as a result of automatic movement between categories. That had not been the understanding of CARICOM as to how the system provided for in General Assembly resolution 55/235 would function. The Bahamas should be returned to level C, and no developing country should be classified above level C unless that country had made a sovereign decision to voluntarily assume developed country responsibilities.

41. **Mr. Ba-Omar** (Oman), speaking on behalf of the States members of the Gulf Cooperation Council (GCC), said that, in accordance with the principle of common but differentiated responsibilities, the special responsibilities of the permanent members of the Security Council for the maintenance of international peace and security should be borne in mind in connection with their contributions to the financing of peacekeeping operations.

42. The automatic application of the current system of discounts had resulted in a situation whereby a developing country that was a member State of the Gulf Cooperation Council had been moved to level B. Any review of the current peacekeeping scale was contingent on the reclassification of the affected State in level C. All negotiations on the scale should be conducted in an open and transparent manner.

43. **Mr. Rashkow** (United States of America) said that the framework of discounts and premiums that was applied to the regular budget scale of assessments in order to apportion the expenses of peacekeeping operations was a carefully crafted agreement that sought to accommodate a variety of sometimes conflicting interests.

44. The Committee would be considering the regular budget and peacekeeping scales simultaneously at the current session and that would require careful consideration and deliberation by all Member States.

45. **Mr. Sugiura** (Japan) said that, as the Organization's second largest contributor, Japan attached great importance to both the regular budget and peacekeeping scales. His country had continued to pay its dues despite its difficult economic situation. Since the peacekeeping scale was based on the regular budget scale, discussion of the two was intimately linked.

46. In addition to the fundamental principle of capacity to pay, the principle of responsibility to pay

should also be borne in mind when discussing the peacekeeping scale. His delegation would participate actively in the negotiations on the peacekeeping scale on the basis of the foregoing principles.

47. **Ms. Bethel** (Bahamas) said that she had taken note of the Secretary-General's report on the implementation of General Assembly resolutions 55/235 and 55/236 (A/64/220), according to which, for the period 2010-2012, the Bahamas would be assigned to level B in the scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations.

48. In that connection, she recalled that the Bahamas was a small island developing State with a population of just over 300,000. It therefore had limited human and economic resources and was susceptible to environmental disasters and external economic shocks. In addition, as an archipelago, it faced particular difficulties in the delivery of social and other services to the population of its 22 inhabited islands.

49. Against that backdrop, she wished to point out that the Bahamas had argued on numerous occasions in various international forums that GNI should not be given undue weight in determining States' capacity to pay, as it often led to distortions. That was particularly apparent in the calculation of the scale of assessments for peacekeeping operations, according to which the Bahamas was now in the same category as the world's most developed economies.

50. The current scale not only placed an increased burden on the Bahamas, but also penalized its efforts to achieve economic growth. The GNI criterion did not adequately reflect the vulnerability of its economy or the extraordinary costs of infrastructure duplication owing to its status as an archipelago. It was also ironic that her country was being called upon to assume a greater share of the financial burden for peacekeeping operations when its economy was facing serious challenges as a result of the current economic and financial crises.

51. The Bahamas had never shirked its responsibilities and was committed to paying its assessed contributions in full, on time and without conditions. However, the assignment of the Bahamas to level B would result in the imposition of an unfair and burdensome assessment on her country. The United Nations was indispensable for small States and it was in their interest to ensure that all its activities, including peacekeeping operations, were effective, efficient and properly financed. That financing was a shared burden, and its allocation should be based not only on the principles that underlaid the methodology of the peacekeeping scale, but also on the principles of justice and fairness.

52. The assignment of the Bahamas to level B in the scale of assessments was not appropriate in view of its economic situation. Unless a country had requested assignment to a specific level, the appropriate level for developing countries was level C.

53. **Mr. Loy** Hui Chien (Singapore) said that, as a small country with few resources, Singapore could not make substantial military or financial contributions to the Organization's peacekeeping operations. Nonetheless, it had paid its assessed contributions in full, on time and without conditions. It had also consistently argued for a peacekeeping scale that was just and that would put peacekeeping activities on a sound and predictable financial footing.

54. The special responsibilities of the permanent members of the Security Council for collective security should underpin any discussion of the peacekeeping scale. Those members, by virtue of their permanent status and the right of veto, had greater power and influence than other Member States and were obliged to accept the responsibilities that came with such power and influence. Therefore, as long as there were permanent members of the Security Council, there should always be a level A in the system of discounts for the peacekeeping scale.

55. The current composition of the peacekeeping scale, with its 10 levels of contribution, had been developed after painstaking negotiations at the fifty-fifth session of the General Assembly. At that time, his country had indicated that it would support a peacekeeping scale whose structure did not disadvantage any country or group of countries. While it intended to keep an open mind regarding the current review, his Government was firmly opposed to any change to the current system that would result in countries being placed against their will in a higher level or that would force them to accept further reductions in their discounts.

56. The peacekeeping scale should reflect political and economic realities and not be constrained by artificial constructs. For example, less populous developing countries had deceptively high per capita

GNI that did not accurately reflect their place in the international community. It was therefore neither equitable nor just for developing countries to be assigned to level B solely on the basis of per capita GNI.

57. The requests of developing countries with regard to the peacekeeping scale were modest and should be given due consideration by the Committee. While the current system of discounts might serve as a guide indicating the capacity of a Member State to contribute to the financing of peacekeeping operations, it was an imperfect method because it did not take into account the unique situation of developing countries.

The meeting rose at 12 p.m.

United Nations A/C.5/64/SR.4

General Assembly
Sixty-fourth session

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Fifth Committee

Summary record of the 4th meeting
Held at Headquarters, New York, on Wednesday, 7 October 2009 at 10 a.m.

Chairman: Mr. Maurer ..... (Switzerland)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

Contents

Agenda item 136: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*)

Agenda item 129: Financial reports and audited financial statements, and reports of the Board of Auditors

Agenda item 140: Report on the activities of the Office of Internal Oversight Services

Agenda item 141: Review of the implementation of General Assembly resolutions 48/218 B, 54/244 and 59/272

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09-54597 (E)

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The meeting was called to order at 10.05 a.m.

Agenda item 136: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*) (A/C.5/64/L.2)

Draft resolution A/C.5/64/L.2: Scale of assessments for the apportionment of the expenses of the United Nations: requests under Article 19 of the Charter

1. *Draft resolution A/C.5/62/L.2 was adopted.*

2. **Mr. Komba** (Central African Republic) expressed thanks to the Committee on Contributions and the Fifth Committee for considering and approving his country's request for an exemption from the provisions of Article 19 of the Charter, enabling it to maintain its voting rights in the General Assembly until the end of the sixty-fourth session.

Agenda item 129: Financial reports and audited financial statements, and reports of the Board of Auditors (A/64/5/Add.5, A/64/98 and A/64/469)

3. **Mr. Vanker** (Chairman of the Audit Operations Committee), introducing the report of the Board of Auditors on the financial statements of the voluntary funds administered by the United Nations High Commissioner for Refugees (UNHCR) for the year ended 31 December 2008 (A/64/5/Add.5), said that the Board had issued a qualified audit opinion on those statements, reflecting its concern that there was not enough assurance of the validity of certain expenditure incurred through UNHCR implementing partners. As a result, the Board was unable to provide assurance of the completeness, accuracy and validity of that expenditure.

4. As at 29 June 2009, UNHCR had received audit certificates from its implementing partners relating to only 50.5 per cent of the total expenditure incurred through such partners up to the end of 2008. Even the audit certificates which had been received contained qualified audit opinions relating to $29.5 million of expenditure. Moreover, 10 per cent of audit certificates were still outstanding for 2005, 14 per cent for 2006 and 17 per cent for 2007. As part of their fiduciary responsibility, the appropriate officials should address the problem in order to protect the interests of donors, recipients and the Organization.

5. The Board's qualified audit opinion was accompanied by three emphasis of matter paragraphs. The first of the paragraphs related to assessing the value of non-expendable property, a problem raised previously. While some progress had been made, the remaining anomalies risked affecting the accuracy of the amount declared as UNHCR assets. The second of the paragraphs related to the need, also mentioned previously, for UNHCR to identify funding to cover end-of-service and post-retirement liabilities, particularly in view of its dependence on voluntary contributions. The third paragraph raised a new concern: the accuracy of the UNHCR expendable property inventory and the failure to reflect that inventory in the financial statements, as required by the United Nations system accounting standards.

6. Having noted more concerns regarding the financial statements for 2008 than for 2007, the Board hoped to raise the Member States' awareness of the difficulties it had identified, and to break the trend of modified audit reports. The qualified audit opinion and emphasis of matter paragraphs gave a negative reflection of the control environment in UNHCR. In the future, the Board hoped to see a strong expression of commitment to good management.

7. Introducing the report of the Board of Auditors on the implementation of its recommendations relating to the biennium 2006-2007 as at 31 March 2009 (A/64/98), he said that the 22-per-cent decrease in recommendations in the biennium 2006-2007 compared with the number of recommendations in the biennium 2004-2005 had not brought an increase in implementation rates. The rate of full implementation had declined from 52 per cent in 2007 to 47 per cent in 2009. While it could find no obvious explanation, the Board had identified some possible causes and was promoting good practice to improve implementation rates.

8. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee shared the concern of the Board of Auditors at the failure of UNHCR implementing partners to supply audit certificates, which were an important internal control mechanism. While acknowledging the often difficult operating environment of UNHCR, the Advisory Committee urged it to address the matters raised by the Board. The Advisory Committee welcomed the Board's intention to monitor UNHCR efforts to implement the International Public Sector Accounting Standards (IPSAS) and to prepare a paper on the requirements for

transition to those Standards. Noting the decrease in the rate of implementation of the Board's recommendations, the Advisory Committee urged the organizations concerned to improve the situation in that regard.

9. **Mr. Elhag** (Sudan), speaking on behalf of the Group of 77 and China, said that the observations and recommendations of the oversight bodies, being crucial to improving the Organization's work, should be implemented in full and in a timely manner. In that connection, the Group concurred with the view of the Advisory Committee that UNHCR should determine how to implement the Board's recommendations on such matters as after service insurance liabilities, International Public Sector Accounting Standards, human resources and project management, management of cash and property, and cases of fraud and presumptive fraud, and that it should address the non-receipt of audit certificates from implementing partners.

10. The Organization should redouble its efforts to implement the Board's recommendations, establish a dedicated follow-up mechanism for that purpose and strengthen inter-agency coordination for the implementation of recommendations regarding more than one organization, and also avoid addressing recommendations only by examining the symptoms of a problem.

11. The Group urged the Board to exercise caution when it came to evaluate the impact of the recommendations of the High-level Panel on United Nations System-wide Coherence in the areas of development, humanitarian assistance and the environment and the enterprise resource planning project on the Organization's work, as there was still no intergovernmental decision on how to proceed with them.

12. **Mr. Råsbrant** (Sweden), speaking on behalf of the European Union; the candidate countries Croatia and the former Yugoslav Republic of Macedonia; the stabilization and association process countries Albania, Montenegro and Serbia; and, in addition, Armenia, Republic of Moldova and Ukraine, expressed concern at the Board's findings in connection with the voluntary funds administered by UNHCR and at the declining rate of implementation of the Board's recommendations overall. While the reasons for failure to implement those recommendations might vary, the Board had pointed out features common to more than one United Nations body that could be addressed transversally, and the tendency to deal with problems on a symptom-based, case-by-case basis. Often, the problems concerned were structural, and should be handled in a more systematic way. Another significant concern was the prospect that most organizations for which the Board conducted audits would be unable to implement IPSAS fully by the established deadline of 1 January 2010. The Board should continue to monitor the IPSAS implementation process.

13. **Ms. Merritt** (United States of America) said that effective oversight, such as that performed by the Board, could only improve the Organization's activities, with recovered resources being reused, inefficient practices being terminated and culpable officials being held accountable. In the case of the Board's findings regarding UNHCR, while her delegation welcomed the substantial increase in donor support for that body, it was concerned that the Board had issued a qualified audit opinion on its financial statements for 2008 and would like to know what remedial action would be taken. It also wished UNHCR to provide an update on its progress in implementing IPSAS. In the case of the Board's assessment of the rate of implementation of its recommendations, her delegation had not found any egregious examples of failure, but wondered what the Member States could do to encourage an improvement.

Agenda item 140: Report on the activities of the Office of Internal Oversight Services (A/64/326 (Part I) and Corr.1 and Add.1 and 2

Agenda item 141: Review of the implementation of General Assembly resolutions 48/218 B, 54/244 and 59/272 (A/64/288)

14. **Ms. Ahlenius** (Under-Secretary-General for Internal Oversight Services), introducing the annual report of the Office of Internal Oversight Services (OIOS) (A/64/326 (Part I) and Corr.1 and Add.1) and pointing out that peacekeeping oversight activities would be described in part II of the report for consideration at the resumed part of the sixty-fourth session, said that OIOS had issued 1,941 recommendations to improve internal controls, accountability mechanisms and organizational efficiency and effectiveness, in 390 reports, during the period from 1 July 2008 to 30 June 2009.

15. The assignments undertaken by OIOS during the reporting period underscored the need for the Organization to develop an accountability framework setting out managers' responsibility for internal control and for ensuring that risks were addressed consistently and systematically. The establishment of risk-based work planning within OIOS did not detract from the need for the Organization's managers to conduct their own risk assessments.

16. Transparency was vital to ensuring that the culture of responsibility and accountability — and therefore trust — envisioned by the General Assembly was established. Accordingly, in order increase transparency and promote understanding of its work, OIOS had made available through its public website the manuals developed and updated by all three of its divisions and had advanced its internal quality assurance programmes. It should be recalled that the General Assembly, in its resolution 59/272, had provided that OIOS reports should be submitted directly to it and that the original versions of OIOS reports not so submitted should be made available to any Member State upon request.

17. **Ms. Tolani** (Director, Office of the Under-Secretary-General for Management), introducing the note by the Secretary-General on the report on the activities of OIOS (A/64/326 (Part I)/Add.2), said that the note had been structured in a manner aimed at clarifying and providing additional information on a number of issues raised in the OIOS report, including risks identified and recommendations made. The Secretariat was fully committed to full and timely implementation of OIOS recommendations, which contributed to improving the Organization's efficiency and effectiveness.

18. **Mr. Walker** (Chairman of the Independent Audit Advisory Committee), introducing the report of the Independent Audit Advisory Committee (IAAC) on its activities for the period from 1 August 2008 to 31 July 2009 (A/64/288), said that the report in question was the first covering a full 12 months of IAAC activity. Although members of IAAC served on a part-time basis, all of the members had attended all of the body's sessions. Operating strictly within its terms of reference, IAAC had issued 7 reports containing 29 recommendations, adopted unanimously in every case. It would continue to monitor their implementation; 13 had already been implemented, and a further 13 were in the process of being implemented.

19. A number of events in 2010 should be borne in mind: the non-renewable five-year term of office of the Under-Secretary-General for Internal Oversight Services would expire in July; the first three-year term of office of three IAAC members would expire in December; and IAAC must prepare for the scheduled review of its terms of reference at the sixty-fifth session of the General Assembly.

20. The annex to the report contained the IAAC observations, comments and recommendations on the effectiveness, efficiency and impact of the audit activities and other oversight functions of the Office of Internal Oversight Services. In order to collect information for its review of OIOS, IAAC had conducted a survey among 191 selected senior staff, and interviewed 19 senior managers. Although the response rate of 45 per cent failed to provide statistical reliability, it compared favourably with previous surveys in the Organization. In its approach, IAAC recognized that decisions of the General Assembly were paramount, and that none of the comments, observations or recommendations in the annex to the report implied a need to change the existing legislative decisions regarding OIOS.

21. On the basis of its research, IAAC had concluded that managers seemed to regard OIOS more as an external than an internal oversight body, perceived OIOS workplans as failing to reflect the priorities of the programmes audited, and took the view that their own comments were inadequately recorded in OIOS findings and recommendations. Accordingly, in the interest of more clearly establishing the role of OIOS, IAAC aimed to define that body's operational independence in terms that were practical and consistent with recognized international standards. The working relationship between OIOS and managers should be constructive, but should not leave OIOS without the appropriate degree of real and perceived operational independence from managers.

22. Operational independence meant leaving OIOS to determine its own workplans and the content of its final reports, to request adequate resources for its work, to select its staff, to undertake its functions free from intervention and with the cooperation of all applicable parties, and to communicate directly with the General Assembly and Secretary-General regarding issues of critical importance to itself or the Organization. The establishment of an internal oversight charter including all the applicable decisions,

policies and procedures regarding the operation of OIOS would improve stakeholders' understanding of the body's role, authority, accountability and reporting relationships.

23. Concerns raised and addressed by IAAC included the timeliness of OIOS reports, the number of recommendations issued and high staff vacancy rates. It should be recalled that, in its report to the General Assembly at its sixty-third session (A/63/737), IAAC had raised the issue of vacancy rates in OIOS and that the General Assembly, in its resolution 63/287, had asked the Secretariat to fill posts rapidly. While the situation had improved, Director-level posts continued to be vacant.

24. While the legislative decisions relating to transparency and facilitating Member States' access to internal oversight reports were in line with best practice, thought should be given to the way in which such reports were made available and the impact that further dissemination, for example, on the Internet, would have on the internal oversight role of OIOS. In that connection, IAAC recommended that the procedure for making reports available and the exercise of discretion by the Under-Secretary-General for Internal Oversight Services in modifying or withholding reports should be formalized and included in the internal oversight charter.

25. **Mr. Elhag** (Sudan), speaking on behalf of the Group of 77 and China, reiterated the Group's support for the operational independence of OIOS and reaffirmed the separate and distinct roles of internal and external oversight mechanisms. The Group appreciated the OIOS initiative to coordinate regularly with other United Nations oversight entities, including the Board of Auditors and the Joint Inspection Unit, in order to avoid overlap in their work and minimize gaps in coverage, as well as the Office's efforts to improve oversight strategies, processes and methodologies. He reiterated the importance of hiring suitably qualified personnel and achieving the goal of equitable geographic distribution.

26. The Group was concerned that some OIOS recommendations contradicted decisions of the General Assembly and would follow up on specific issues with the relevant officials. It was also concerned by the decreased rate of implementation of OIOS recommendations and the number of recommendations — particularly recommendations classified as critical — to which there had been no response during the reporting period. It was of the utmost importance for all departments and entities to cooperate fully with OIOS and to implement its recommendations. The Office, for its part, should engage closely with the Secretariat to resolve differences before raising issues for deliberation by the Fifth Committee. Acknowledging the oversight findings contained in the OIOS report (A/64/326 (Part I)), he said that the Group looked forward to further discussion of the findings on the capital master plan.

27. With respect to the IAAC annual report (A/64/288), the Group also looked forward to a detailed discussion in informal consultations of the suggestions for the enhancement of the efficiency and impact of OIOS oversight through a review of the Office's functions and reporting procedures.

28. **Mr. Råsbrant** (Sweden), speaking on behalf of the European Union; the candidate countries Croatia and the former Yugoslav Republic of Macedonia; the stabilization and association process countries Albania, Montenegro and Serbia; and, in addition, Armenia, Moldova and Ukraine; as well as Liechtenstein on the subject of the OIOS report (A/64/326 (Part 1) and Add.1), said that, while he appreciated the risk-based approach that OIOS used in preparing its workplan, management had primary responsibility for assessing and managing organizational risk. He welcomed OIOS efforts to streamline its standard operating procedure and update its manuals in line with international standards. Noting with satisfaction the positive trend in the implementation of OIOS recommendations, he stressed the importance of their full implementation. The close coordination between OIOS, the Joint Inspection Unit and the Board of Auditors was laudable, as it allowed those bodies to avoid duplication in oversight work and discuss issues of common interest.

29. With respect to the annex to the IAAC report (A/64/288) regarding OIOS, the European Union looked forward to further discussion of the Independent Audit Advisory Committee's observations and recommendations on the evaluation and review of OIOS functions and reporting procedures, bearing in mind the objective of having an effective and efficient internal oversight function.

30. **Mr. McLay** (New Zealand), speaking also on behalf of Australia and Canada, said that OIOS was central to the governance and accountability structure of the United Nations, providing assurances to Member States that resources were being used effectively and efficiently. The three delegations welcomed OIOS initiatives to strengthen internal procedures, most notably the adoption of risk-based workplans in order to focus on high-risk activities. In the absence of an internal control framework, however, OIOS should modify its risk-based approach to include the effect of controls put in place by management, as outlined in paragraph 9 (b) of the IAAC report (A/64/288). Without prejudging the outcome of the ongoing organizational changes within OIOS, he looked forward to receiving, in due course, an assessment of the pilot project for restructuring the Investigations Division.

31. There was merit in all the recommendations of the Independent Audit Advisory Committee regarding OIOS, including setting out a clear definition of operational independence; seeking input from programme managers and staff before and after preparing audit workplans to ensure that programme priorities were taken fully into account before plans were finalized; and establishing an internal oversight charter for OIOS.

32. **Mr. Melrose** (United States of America) said that OIOS, whose establishment had been one of the most important management reform measures of the previous 25 years, would continue to play a vital role in enhancing the accountability and effectiveness of the United Nations. He commended OIOS for having identified some $49 million in recommended savings and efficiency gains and urged the Secretary-General to take action to realize the savings not yet recovered. Operational independence and adequate resources were crucial in allowing OIOS to perform its core functions free of any influence from the bodies or officials it oversaw.

33. The OIOS annual report (A/64/326 (Part 1) and Corr.1 and Add.1) recorded significant internal audit, monitoring, inspection, evaluation and investigation output. It was disappointing, however, to see frequent references by the Board of Auditors and others to the inability of OIOS to complete its audit plans on time. Since one of the main reasons appeared to be the large number of vacant audit posts, he requested an update on OIOS efforts to address that situation.

34. The Secretary-General's comments on the annual report (A/64/326 (Part 1)/Add.2) seemed both comprehensive and thoughtful. Nevertheless, his delegation was concerned by their apparently defensive, if not adversarial, tone and encouraged both parties to develop a more cooperative relationship.

35. Turning to the report of IAAC for August 2008-July 2009 (A/64/288), he welcomed the recommendations it contained on the operational independence of OIOS and the Office's treatment of management comments in audit reports.

36. The full access to OIOS reports granted to Member States under General Assembly resolution 59/272 had reinforced the principles of independent and transparent internal oversight by allowing Member States to exercise more effectively their fiduciary responsibility to oversee the activities of the Organization. He looked forward to discussing the issues raised by IAAC and the question of how to maintain and enhance the transparency that had been achieved.

37. He was dismayed by the continuing vacancies in OIOS at the D-2 level, and urged the Secretary-General to work with OIOS to fill them expeditiously.

38. **Mr. Sial** (Pakistan), said that his delegation attached great importance to the internal and external oversight functions of the Organization given the substantial sums that Member States paid towards its regular and peacekeeping budgets.

39. The issue of how OIOS staff were appointed had been settled in paragraph 19 of resolution 54/244. As chief administrative officer, the Secretary-General should continue to recruit and appoint all United Nations staff. In view of the specialized nature of OIOS, however, that Office might be associated with the staff selection process, although the Secretary-General should remain the final authority.

40. In its past resolutions on OIOS, the General Assembly had explicitly provided for the operational independence of that Office, which remained under the authority of the Secretary-General in accordance with Article 97 of the Charter. Decisions on how to apply the provisions of those resolutions and the Charter were an internal matter between the Secretary-General and the Under-Secretary-General for Internal Oversight. Any additional suggestions from the Fifth

Committee on that count would amount to micromanagement.

41. The Committee should review the Office's reporting procedure to provide clarity and consistency, as it appeared unclear from General Assembly resolution 59/272 whether OIOS was to submit its reports directly to the General Assembly or to the Secretary-General for transmission to the Assembly. In his delegation's view, all finalized reports should be submitted to the General Assembly for the sake of transparency. All other reports should remain internal: allowing access to them would amount to interference in Secretariat matters. Acknowledging the information in the OIOS report (A/64/326 (Part 1) and Corr.1 and Add.1) on improving the system of implementation of the Office's recommendations, he asked the Secretary-General to provide an update on the establishment of a follow-up mechanism.

42. While OIOS required adequate resources to perform its oversight function effectively it should not be at the expense of other activities, and every effort must be made to use resources frugally.

43. It was a matter of great concern that the Organization, with a budget envelope in the billions of dollars, still lacked an accountability framework. Quite apart from the internal oversight function, a system must be put in place to ensure that programme managers were held accountable.

44. Lastly, he called on OIOS in future to comply strictly with General Assembly resolutions regarding the format and required elements of reports.

45. **Mr. Lim** (Singapore) said that internal and external oversight entities, which worked in complementary fashion, should continue to be clearly distinguished. The increasing volume and complexity of United Nations activities, particularly in peacekeeping, and the need to avoid the kind of abuses that had occurred with the oil-for-food programme, had necessitated stronger controls and oversight. OIOS had played a valuable role in improving performance. Under the new system of administration of justice at the United Nations, all parts of the Organization, including OIOS itself, would be accountable. The Office must therefore conduct its investigations fairly and transparently. While some disagreements between OIOS and management were inevitable, both sides should endeavour, together with the Member States, to establish smooth working relations for the greater good of the Organization.

46. Turning to the IAAC report (A/64/288), he expressed concern at management's low rate of implementation of the recommendations of United Nations oversight bodies. Noting the assurances from the Department of Management that the implementation rate would improve by the end of the year, he emphasized the importance of giving priority to those recommendations that would most benefit operations.

47. He looked forward to examining in detail the Independent Audit Advisory Committee's recommendations on how to guarantee the independence of OIOS, including through an internal oversight charter. There was merit in the IAAC recommendation that senior managers' comments on OIOS reports should be included as annexes, so that the reports would be perceived as unbiased and accurate. While no system as large and complex as the United Nations could be perfect, everything possible must be done to entrench a culture of accountability, transparency and credibility. Internal oversight bodies played a critical role in that endeavour.

48. **Mr. Prokhorov** (Russian Federation) said that the increasingly complex mandates of the United Nations demanded a robust system of accountability and good governance. The internal oversight bodies were an integral part of that system, which ensured that Member States' decisions were properly implemented. His delegation would therefore pay particular attention during the Committee's deliberations to the level of compliance with internal oversight recommendations and to the relationship between the Secretariat and the internal oversight bodies. It would also be important to reach consensus on the definition of operational independence.

49. He assumed that the Committee's decisions on internal oversight would not entail any significant increase in resource requirements. To that end, it was essential to avoid duplication of existing oversight functions.

50. **Mr. Gürber** (Switzerland), speaking also on behalf of Liechtenstein regarding the annex to the IAAC report (A/64/288), said that it was essential to continue strengthening OIOS in order to reduce risk within the Organization and ensure that mandates were implemented more effectively and efficiently. The

Office's function could be strengthened by clarifying its mandate, most notably through the internal oversight charter recommended by IAAC. Most other United Nations entities had already benefited from such charters. The Independent Audit Advisory Committee had very usefully drawn on international best practice to clarify the meaning and scope of the term "operational independence", which was a prerequisite for proper internal oversight.

51. The General Assembly in its resolution 48/218 B had reaffirmed the distinct roles of internal and external oversight, a distinction that had become blurred for OIOS, as illustrated by the current practice of making OIOS reports available to Member States upon their request. Unfortunately, such reports were appearing on the Internet before management had had an opportunity to react to their content, making it difficult for OIOS to fulfil its role of assisting the Secretary-General with his internal oversight responsibilities. He therefore agreed with IAAC that the protocol for making OIOS reports available should be clarified. There should under no circumstances, however, be any challenge to the principle of transparency or curtailment of the prerogative of the Under-Secretary-General for Internal Oversight Services to bring oversight reports to the attention of the General Assembly if she deemed it necessary.

52. Lastly, his delegation was concerned that no tangible progress had been made in filling vacant posts in OIOS, including at the Director level, despite unambiguous guidance from the General Assembly.

53. **Mr. Walker** (Chairman of the Independent Audit Advisory Committee) said that he would address in informal consultations the points raised concerning the IAAC report (A/64/288).

The meeting rose at 12.10 p.m.

United Nations A/C.5/64/SR.5

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Chairman: Mr. Maurer ..... (Switzerland)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

Contents

Agenda item 133: Programme planning

Agenda item 131: Programme budget for the biennium 2008-2009

United Nations Office for Partnerships

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The meeting was called to order at 10.05 a.m.

Agenda item 133: Programme planning (A/64/16)

1. **Mr. van der Westhuizen** (Chairman of the Committee for Programme and Coordination), speaking by a video link to introduce the report of the Committee for Programme and Coordination (CPC) on its forty-ninth session (A/64/16), said that the report included important conclusions and recommendations concerning, in particular, programme changes resulting from decisions of intergovernmental bodies and conferences or suggested by the Secretary-General. The Committee for Programme and Coordination had examined the proposed changes to the programme plan contained in the proposed programme budget for the biennium 2010-2011 and had made recommendations on the changes to programme 24, Management and support services, including on the Office of Human Resources Management and the Office of Information and Communications Technology.

2. In discharge of its mandate to assist the Economic and Social Council with its coordination functions, the Committee had reviewed the annual overview report of the United Nations System Chief Executives Board for Coordination (CEB) for 2008/09 (E/2009/67) and the report of the Secretary-General on United Nations system support for the New Partnership for Africa's Development (NEPAD) (E/AC.51/2009/7). The Committee had recommended that the General Assembly should bring to the attention of the Secretary-General, in his capacity as Chairman of the Chief Executives Board, the need to continue to ensure that the Board enhanced its system-wide coordination activity; it had reiterated that any criteria and methodology for the comprehensive evaluation of the eight "delivering as one" pilot projects should first be considered and approved by the General Assembly and that United Nations support for those projects should not prejudice the outcome of the intergovernmental deliberations on system-wide coherence. CPC had stressed the urgent need to fill the post of Special Adviser on Africa.

3. Regarding evaluation, chapter II.B of the report described the Committee's examination of four reports and two triennial reviews of the Office of Internal Oversight Services (OIOS).

4. The Committee had decided not to include the item on improving its working methods and procedures in the agenda for future sessions but to discuss related matters under the item on the adoption of the agenda and organization of work, as required. It had acknowledged that the question of the timing of its sessions in budget and off-budget years merited further consideration: the eight weeks allotted to its sessions during a biennium might, for example, be reallocated between budget and off-budget years, with three weeks in budget years and five weeks in off-budget years.

5. **Mr. Elhag** (Sudan), speaking on behalf of the Group of 77 and China, said that the Group underlined the importance of CPC as the main subsidiary organ of the General Assembly and the Economic and Social Council for planning, programme and coordination. Programme planning involved translating mandates into implementable programmes: CPC formed the core of the General Assembly's oversight capacity in that key area; it interpreted legislative intent and prevented overlapping and duplication. As in previous years, the CPC report provided an excellent basis for consideration of the issues in the Fifth Committee; the Group fully endorsed the recommendations contained in the report.

6. The Group welcomed the guidance given on programmatic aspects of the changes in the programme plans for the current and the next biennium but stressed once again that all the budget fascicles must be identical with the strategic framework approved by the General Assembly and that priority-setting was the prerogative of the Member States alone. It noted with satisfaction that CPC had welcomed the OIOS report on strengthening the role of evaluation and the application of evaluation findings on programme design, delivery and policy but reiterated that it was the prerogative of the Member States alone to define the roles and responsibilities of the intergovernmental and oversight bodies and that the legislative mandates emanating from the intergovernmental process constituted the main source of guidance for the Secretariat and the oversight bodies.

7. The Group fully supported the CPC recommendations relating to the Secretary-General's proposal for the alignment of the Office of the Special Adviser on Africa and the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and it regretted that OIOS had supported a proposal which ran counter to General Assembly resolution 63/260. The proposed alignment

would weaken the United Nations focus on the special needs of the countries in question. The Group stressed that OIOS should be guided solely by the legislative mandates emanating from the intergovernmental process and it reiterated its call for the post of Special Adviser on Africa to be filled.

8. Since knowledge management was an important component of the United Nations management reform process, the Working Group on Knowledge Management should be encouraged to assess potential synergies and operational efficiency in consolidating the Knowledge Management Service.

9. The Group firmly believed that CEB should play an important role in improving coordination in the United Nations system and appreciated the Board's efforts to enhance advocacy with regard to eradicating poverty, attaining the Millennium Development Goals and supporting Africa and the New Partnership for Africa's Development. It also appreciated the priority given by the Board to the United Nations role in resolving all financial and economic crises. However, it urged the Secretary-General to encourage a more substantive dialogue between CEB and the Member States in order to enhance the Board's transparency and accountability.

10. The Group welcomed the decision of the Committee for Programme and Coordination to discontinue the regular agenda item on improving its working methods; progress had been made on the issue, and it was the prerogative of CPC alone to review it as necessary.

11. **Mr. Råsbrandt** (Sweden), speaking on behalf of the European Union, the candidate countries Croatia and Turkey, the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro, and Serbia; and, in addition, Armenia, the Republic of Moldova and Ukraine, welcomed the report: CPC had held open and pragmatic discussions on its work and its role in the United Nations system and had implemented the measures approved at its forty-seventh session with a view to improving its effectiveness. Those efforts should be continued, for they would help CPC to carry out its mandate and ensure the coordination needed to prevent duplication and overlapping and enhance efficiency and effectiveness. The assistance of the Secretariat was an invaluable element of the Committee's work, as was a closer dialogue between the Committee and the other bodies and services involved.

12. **Mr. Cumberbatch** (Cuba) said that programme planning was essential to the functioning of the United Nations and rightly received special attention at all its stages. His delegation reaffirmed the role of CPC as the main subsidiary organ of the General Assembly and the Economic and Social Council in that regard. The OIOS reports submitted to CPC were a useful input, but the intergovernmental mandates resulting from negotiations among the Member States must be strictly respected. The recognition by CPC of the importance of improving its working methods was welcome, as was the progress made in that area. The results of the Committee's forty-ninth session reconfirmed the relevance of its recommendations and conclusions, which his delegation fully endorsed. Cuba would work to ensure that the changes recommended by CPC were included in the programmes which it had reviewed.

13. **Mr. Rana** (India) said that his delegation also reaffirmed the importance of CPC as the main subsidiary organ of the General Assembly and the Economic and Social Council for planning, programme and coordination, an importance underlined by its critical role in ensuring that the entities which carried out the various programmes adhered to the letter and spirit of the legislative mandates. CPC should therefore be provided with the necessary resources to perform its tasks. Its efforts to improve its working methods were commendable.

14. His delegation endorsed the conclusions and recommendations contained in the report and urged the Secretariat to take full cognizance of them. It supported, in particular, the recommendation for approval of changes in the programme plan for the current biennium and in the programme budget for the biennium 2010-2011.

15. The importance of evaluations could not be overemphasized, and the Secretary-General should ensure that they were used to improve the policy decisions of programme managers. His delegation looked forward to the programme evaluation of the Department of Economic and Social Affairs and the thematic evaluation of Department of Peacekeeping Operations and Department of Field Support cooperation with regional organizations and endorsed the recommendation that the post of Special Adviser on Africa should be filled as a matter of urgency. The

proposal for alignment of the Office of the Special Adviser and the Office of the High Representative should be examined carefully.

16. Turning to the evaluation of the Department of Political Affairs, he said that the Office of Internal Oversight Services should refrain from making value judgements on issues which were still before the General Assembly and should take the Assembly's decision to strengthen the Department into account when evaluating the implementation of its recommendations endorsed by CPC at its forty-sixth session.

17. His delegation hoped that the OIOS evaluation of lessons learned would help the staff to improve the work environment. It recognized the importance of coordination bodies such as CEB. It noted the OIOS thematic evaluation of United Nations coordinating bodies, and joined its voice to the call for further enhancement of their work, which would require the scheduling of regular meetings, improved follow-up to decisions, and a mechanism for those bodies systematically to measure their own performance.

18. **Mr. Spirin** (Russian Federation) said that his delegation attached great importance to the work of the Committee for Programme and Coordination as the main subsidiary organ of the General Assembly and the Economic and Social Council for planning, programme and coordination. The programme planning system must ensure that the Member States were able to establish the Organization's priorities and programme activities and make genuine evaluations of how effectively established objectives were being achieved.

19. In the context of the findings of the United Nations Conference on the World Financial and Economic Crisis and the preparations for the 2010 summit on the Millennium Development Goals, the CPC recommendations on the annual overview report of CEB designed to improve response by the United Nations system to crises were very important. Where CEB itself was concerned, the recommendation made in paragraph 123 of the CPC report was most timely.

20. His delegation welcomed the progress made in improving the working methods of CPC and the decision not to include that item in the agenda of future sessions, which would allow CPC to concentrate its full attention on substantive issues.

21. **Mr. Nguyen Dinh Hai** (Viet Nam) said that the role played by CPC as the main subsidiary organ of the General Assembly and the Economic and Social Council for planning, programme and coordination was crucial to the Organization's smooth functioning and that the CPC programme evaluations contributed to the effective fulfilment of mandates, while the guidance given to entities of the United Nations system helped to improve coherence and coordination. His delegation endorsed the recommendations contained in the CPC report and expected the Secretariat to act on them. With regard to the OIOS thematic evaluation of United Nations coordinating bodies, there was ample room for those bodies to improve the coordination of programme delivery. All the coordinating bodies, CEB in particular, should give due attention to the CPC recommendations on the subject.

22. **Mr. Hameed** (Pakistan) said that his delegation attached the utmost importance to CPC as the main subsidiary organ of the General Assembly and the Economic and Social Council for planning, programme and coordination, for it enhanced the General Assembly's capacity to oversee the Organization's work. The agenda item was a very important one in that it linked intention with action and mandate with implementation.

23. The evaluation of the "delivering as one" pilot countries should be driven by the countries in question and must be inclusive, transparent and independent. A second tier of evaluation to facilitate intergovernmental consideration of the results from the pilot countries would be useful. His delegation welcomed the CPC recommendations and considered that the report provided a solid basis for considering the issues in question in the Fifth Committee.

24. It endorsed in particular the recommendations that the General Assembly should request the Secretary-General to ensure the dissemination and full implementation of the findings of the various evaluation bodies and the recommendations that the coordination work of CEB should be enhanced and that CEB should meet more frequently with the Member States. It noted the recommendation that the Economic and Social Council should request the Secretary-General to initiate a comprehensive evaluation of the management and accountability system of the United Nations development and resident coordinator system. It endorsed the recommendations on United Nations

support for NEPAD and on the urgent need to fill the post of Special Adviser.

25. **Mr. Muhith** (Bangladesh) drew attention to paragraph 138 of the report and said that the proposed alignment of the Office of the Special Adviser on Africa and the Office of the High Representative clearly violated the mandates and resolutions adopted by the General Assembly: it would weaken the United Nations focus on the special needs of the countries in question; the post of Special Adviser should be filled as soon as possible. His delegation regretted the position taken by OIOS on the issue and reiterated its request that the Secretariat should provide the General Assembly with a clear and credible update on the situation.

26. **Mr. van der Westhuizen** (Chairman of the Committee for Programme and Coordination), speaking by a video link, said that he welcomed the expression of support for CPC and for the recommendations contained in the report.

Agenda item 131: Programme budget for the biennium 2008-2009

United Nations Office for Partnerships (A/64/91)

27. **Mr. Dossal** (Executive Director, United Nations Office for Partnerships), introducing the report of the Secretary-General on the United Nations Office for Partnerships (A/64/91), said that 2008 had marked the tenth anniversary of the relationship between Robert E. Turner's Foundation (United Nations Foundation) and the United Nations system, a relationship which continued to go from strength to strength. In the period 1998-2008 the United Nations Fund for International Partnerships had received over one billion dollars for some 455 projects implemented by 39 United Nations entities in 123 countries. It should be noted that the Fund did not itself implement any projects, but it had succeeded in generating $622.1 million from its partners for project implementation. The original 10-year agreement with the United Nations Foundation had been renewed for a further 10 years, and Mr. Turner remained committed to raising the next billion dollars.

28. The report described the strategies adopted and the projects supported. The approach remained focused on children's health and on population, women's and environmental projects, with a minor component on peace, security and human rights. The table in annex III gave details of the value of the projects. In 2008, some $28 million had been programmed for 33 projects.

29. Chapter II of the report dealt with the United Nations Democracy Fund, which had been a real success story. The Fund's terms of reference had been sharpened in 2008 to make it more responsive to needs. In 2008 the Secretary-General had approved a second funding round, amounting to $23 million for 82 projects. A decision had been taken to focus the work primarily on civil society organizations in order to support the demand side of democratization. Contributions since the Fund's inception now totalled over $91 million. Under the third funding round over 2,000 applications for grant funding had been received from 138 countries.

30. Turning to chapter III of the report, he said that the success of the United Nations Fund for International Partnerships had generated a demand for advisory services. Even in the early days many private sector and civil society bodies had expressed an interest in supporting the work of the United Nations, but it had been necessary to dispel some confusion: the Fund for International Partnerships existed to support United Nations programmes and projects, not those of external bodies, and the United Nations Office for Partnerships had been established to provide advisory services. There had been an exponential growth in the demand for its services. It was clear that, as well as funding and implementing projects, private sector and civil society bodies had also become advocates. All the applications received were channelled to United Nations or governmental agencies or to other organizations with the aim of building capacity in the field.

31. The Fund now received over 1,000 enquiries a year. Despite the global economic slowdown there had been a steady increase in the implementation of social programmes by non-State actors. The private sector was clearly becoming interested in the "triple bottom line": not just making profits but taking the social dimension into account as well.

32. One of the priorities was to strengthen partnerships in Africa, by working with the African Union, the NEPAD Business Group and other bodies, with a view to attracting new investments and creating a new role for the private sector in Africa.

33. **Mr. Cumberbatch** (Cuba) asked what criteria the Office applied when selecting partnership organizations.

34. **Mr. Dossal** (Executive Director, United Nations Office for Partnerships) said that one of the biggest challenges was in fact to ensure quality control in the selection process, in order to prevent corporations from using their involvement with the United Nations to "bluewash" their activities. All potential partnerships were carefully considered in conjunction with umbrella organizations, and agencies of the United Nations system applied their own selection criteria as well. The Office itself vetted corporations in accordance with its guidelines on engagement with the private sector. It would not work with bodies which infringed labour, environmental or human rights legislation or were known to be corrupt. Nor would it work with organizations whose activities involved alcohol, tobacco or firearms. It also used external vetting services.

35. **The Chairman** invited the Committee to adopt the following oral draft decision on the United Nations Office for Partnerships:

> "*The General Assembly*,
>
> *Having considered* the report of the Secretary-General on the United Nations Office for Partnerships (A/64/91);
>
> *Takes note* of the report of the United Nations Office for Partnerships (A/64/91)."

36. *The draft decision was adopted.*

The meeting rose at 11.15 a.m.

United Nations A/C.5/64/SR.6

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Summary record of the 6th meeting
Held at Headquarters, New York, on Friday, 16 October 2009, at 10 a.m.

Chairman: Mr. Sene (Vice-Chairman) . . . . . (Senegal)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

Contents

Agenda item 134: Improving the financial situation of the United Nations

Agenda item 135: Pattern of conferences

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In the absence of Mr. Maurer (Switzerland), Mr. Sene (Senegal), Vice-Chairman, took the Chair.

The meeting was called to order at 10.35 a.m.

Agenda item 134: Improving the financial situation of the United Nations

1. **Ms. Kane** (Under-Secretary-General for Management) said that she would focus on four main financial indicators: assessments issued, unpaid assessed contributions, available cash resources and debt to Member States. The overall financial picture was mixed, although there had been improvement in some areas.

2. Turning first to the regular budget, she noted that levels of assessments and payments had both been higher in 2009 than in 2008, by $619 million and $534 million, respectively. Unpaid assessed contributions had increased to $830 million as at 13 October 2009, compared to $756 million a year earlier. As at 13 October, 120 Member States — or 13 fewer than on 24 October 2008 — had paid their regular budget assessments in full, although 3 additional States had paid in the meantime. She urged the remaining Member States to pay their assessed contributions for 2009 as soon as possible. Of the total of $830 million outstanding as at 13 October 2009, 93 per cent had been owed by a single Member State and 7 per cent by the remaining Member States. The final picture for 2009 would depend on the action taken by those States in the months that followed.

3. Cash resources for the regular budget comprised the General Fund, into which assessed contributions were paid, the Working Capital Fund, which had been approved at a level of $150 million by the General Assembly, and the Special Account. As at 13 October 2009, the total cash resources available had stood at $787 million, compared to $411 million on 31 December 2008. The month-by-month cash position reflected an anticipated positive cash balance at the end of December 2009. The final position would depend on action by the major contributors.

4. A number of factors made it difficult to predict financial outcomes for peacekeeping activities: demand was unpredictable; the financial period for peacekeeping ran from 1 July to 30 June rather than from 1 January to 31 December; assessments were issued separately for each operation; and, since assessments could only be issued through the mandate period approved by the Security Council for each mission, they were issued for different periods throughout the year. All those factors complicated a comparison between the financial situation of peacekeeping operations and that of the regular budget and the International Tribunals.

5. The total amount outstanding for peacekeeping operations as at 13 October 2009 had been over $2.1 billion, approximately $763 million lower than at the end of 2008 and $796 million below the level as at 24 October 2008. The current level of unpaid assessments was partly related to a lower level of peacekeeping assessments for the 2009/10 fiscal year pending approval of a new scale of assessments for 2010. The decrease also reflected reduced amounts owed for peacekeeping by major contributors compared to a year earlier.

6. Due to the unpredictable levels and timing of peacekeeping assessments, it could be more difficult for Member States to keep fully current with their payments. The 19 Member States that had paid all their peacekeeping assessments as at 13 October 2009 and the 2 Member States that had subsequently paid in full therefore deserved special thanks.

7. The cash balance in peacekeeping accounts had stood at some $3.3 billion as at 13 October 2009. That amount was divided between the accounts of a number of ongoing and closed operations and the Peacekeeping Reserve Fund, but there were restrictions on its use. The General Assembly routinely specified that no peacekeeping mission should be financed by borrowing from other active missions, and the terms of reference of the Peacekeeping Reserve Fund restricted its use to new operations and the expansion of existing operations. Further, only some of the cash available in the accounts of closed peacekeeping operations was available for borrowing.

8. As at 13 October 2009, cash in the accounts of active missions had totalled approximately $2.8 billion, the Peacekeeping Reserve Fund had had a balance of $142 million and the accounts of closed missions had totalled $470 million. According to current estimates, a total of just over $2.2 billion would be available in peacekeeping accounts at the end of 2009, with approximately $1.6 billion in the accounts of active missions, $469 million in the accounts of closed missions and $144 million in the Peacekeeping Reserve Fund.

9. Of the $469 million expected to be available in the accounts of closed missions at the end of 2009, $218 million had been set aside for payment of

outstanding liabilities, such as troop and equipment payments and credits to be returned to Member States. That left only $251 million available for cross-borrowing by active peacekeeping operations and for other accounts, including the regular budget and the International Tribunals. That was a very thin margin for cross-borrowing, which had been required in 2008 for seven active peacekeeping operations, namely the United Nations Interim Administration Mission in Kosovo (UNMIK), the United Nations Observer Mission in Georgia (UNOMIG), the United Nations Mission for the Referendum in Western Sahara (MINURSO), the United Nations Peacekeeping Force in Cyprus (UNIFCYP), the United Nations Stabilization Mission in Haiti (MINUSTAH), the United Nations Operation in Côte d'Ivoire (UNOCI) and the United Nations Mission in Liberia (UNMIL), for a total of $148 million. So far in 2009, cross-borrowing of $49 million had been required for UNOMIG, MINURSO, UNOCI and the United Nations Integrated Mission in Timor-Leste (UNMIT).

10. Revised projections of the Organization's debt to Member States suggested that the amount outstanding would total $944 million at the end of 2009, which was higher than the projection of $765 million made in May and the amount of $431 million outstanding as at 31 December 2008. Payments for 2009 took into account cash projections, which were affected by the reduced level of assessments pending approval of a new scale of assessments. New obligations had increased in 2009, mainly due to deployments of troops in the African Union-United Nations Hybrid Operation in Darfur (UNAMID), of a military component in the United Nations Mission in the Central African Republic and Chad (MINURCAT) and of additional military contingents and formed police units in the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC), but had been partly offset by the termination of the mandate of the United Nations Mission in Ethiopia and Eritrea (UNMEE), the downsizing of formed police units in UNMIK and a reduction in the authorized military strength of UNMIL. A detailed breakdown of the amounts owed to individual Member States as at 30 September 2009 was being circulated.

11. Payments in respect of troop obligations had been broadly current up to February/March 2009 for MINUSTAH and UNMIK and up to July/August 2009 for MINURCAT, MONUC, UNAMID, UNMIL, UNOCI, the United Nations Disengagement Observer Force (UNDOF), the United Nations Interim Force in Lebanon (UNIFIL) and the United Nations Mission in the Sudan (UNMIS). Payments for contingent-owned equipment had been current up to March/June 2009 for MONUC, UNAMID, UNDOF, UNFICYP, UNIFIL, UNMIL and UNMIS. Owing to cash shortfalls, however, reimbursements had fallen behind the normal quarterly process for MINURSO, UNMIK, UNOMIG, UNFICYP, MINUSTAH, UNMIT and UNOCI. In that connection, delays in the receipt of contributions affected the Secretariat's ability to make quarterly payments to troop contributors, as it must first ensure adequate provision of cash resources to cover ongoing operating costs. Nevertheless, the Secretariat would monitor the situation and would make the payments as soon as sufficient cash was available. The Secretary-General was committed to meeting the Organization's obligations to troop and equipment contributors as expeditiously as possible. To that end, Member States must meet their financial obligations to the United Nations in full and on time and the relevant memorandums of understanding must be finalized.

12. The financial position of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia had worsened slightly in 2009, with assessments somewhat higher than in 2008 and the amount outstanding higher by $10 million. As at 13 October 2009, 83 Member States had paid their assessed contributions in full — 14 fewer than as at 24 October 2008 — and she urged the remaining Member States to follow their example. The breakdown of unpaid assessed contributions showed that one Member State accounted for 65 per cent of the total. If recent trends continued, the Tribunals would end the year with positive cash balances. Once again, however, the actual outcome would depend on Member States meeting their financial obligations in full and on time.

13. Recalling that the total budget for the capital master plan of $1.9 billion had been approved by the General Assembly in December 2006, she said that 180 Member States were under the multi-year payment system while 12 Member States had opted for one-time payment. As at 13 October 2009, payments totalling $1.1 billion had been made, with $86 million still outstanding. A number of Member States that had not opted for one-time payment had made advance payments. She thanked the 119 Member States that had paid their capital master plan assessments, and urged all Member States to pay their assessed contributions

in full and on time to ensure the timely implementation of the plan.

14. In conclusion, she paid special tribute to the 18 Member States that had paid in full all assessments due and payable by 13 October 2009 and the three additional Member States that had paid in full subsequently. The financial indicators for 2009 were mixed: cash positions were projected to be positive at year end for all funds, although the final outcome would depend on contributions made in the last quarter. Unpaid assessments had decreased for peacekeeping compared to October 2008 but had increased for the regular budget, the International Tribunals and the capital master plan. The number of Member States meeting their obligations in full was lower than a year earlier in all budget categories. In order to maintain the financial health of the Organization, it remained as critical as ever for Member States to meet their obligations in full and on time.

Agenda item 135: Pattern of conferences (A/64/32, A/64/136, A/64/166, A/64/371 and A/64/484)

15. **Ms. Kaudel** (Chairperson of the Committee on Conferences), introducing the report of the Committee on Conferences for 2009 (A/64/32), said that, with respect to the draft calendar of conferences and meetings for 2010 and 2011, the Committee had considered various proposals on the rescheduling of the first and second parts of the resumed sessions, as outlined in paragraph 15 of the report. She had already held informal consultations with the Chairmen of the Fifth Committee and the Committee for Programme and Coordination (CPC) and would also meet with the President of the Economic and Social Council to discuss the issue.

16. The Chairman of CPC had underlined that in the previous three years, meetings of the Fifth Committee at the second part of the resumed session had encroached on the annual sessions of CPC. He had proposed that the eight weeks allocated to CPC in each biennium should be adjusted so that the Committee, instead of meeting for four weeks each year, should have a three-week session in budget years and a five-week session in off-budget years. Under that proposal, in off-budget years the CPC report would be considered by the Economic and Social Council at its resumed rather than its main session. The Chairman of CPC had stressed that the one-week break between the end of the Fifth Committee's work at the second part of the resumed session and the start of the CPC annual session should be maintained in order to allow for the preparation of documentation. The Chairman of the Fifth Committee, for his part, would consult the Bureau of that Committee.

17. With regard to the utilization of conference services and facilities, addressed in chapter III, section B, of the report, three of the Main Committees of the General Assembly had reached or surpassed the benchmark of 80 per cent in 2008, thanks to better discipline in starting meetings on time and better coordination with conference planners. Suggestions for improving the utilization rate of bodies that had under-utilized conference resources during the period from 2006 to 2008 included providing notice of foreseeable cancellations, starting meetings on time and reducing meeting time in advance when shorter meetings were anticipated.

18. Turning to the provision of interpretation services to meetings of regional and other major groupings, she said that the Committee on Conferences had expressed its regret at the fact that only 77 per cent of meetings held at the four main duty stations had been provided with interpretation services in 2008, compared to 84 per cent in 2007. The draft resolution contained in annex I to the report requested the Secretary-General to ensure that, as far as possible, all requests for conference services were met, and requested the Secretariat to inform the requestors as early as possible about the availability of conference services, including interpretation, and about any changes that might occur before the meeting.

19. In the context of the Committee's discussion of the impact on meetings of implementation of the capital master plan, the Committee members had visited the Albano Building, to which all staff involved in the documents processing chain had been relocated, and the Publishing Section in the basement under the temporary North Lawn Building. The Committee had requested the Secretary-General to keep it informed of all matters relating to conference services and facilities for the duration of the capital master plan.

20. Chapter V of the report addressed the issue of integrated global management. The Committee had had before it the report of the Office of Internal Oversight Services (OIOS) on the evaluation of the integrated global management initiative (A/64/166) and had held a videoconference on the subject with the offices away from Headquarters. In the draft resolution, the

Committee took note of the OIOS recommendations and requested the Secretary-General to ensure their full implementation and to report thereon to the General Assembly at its sixty-fifth session through the Committee on Conferences.

21. With regard to documentation and publication-related matters, the Committee had discussed the reports of the Working Group on the Universal Periodic Review of the Human Rights Council, resulting in operative paragraphs 1 and 2 of section IV of the draft resolution. By paragraph 1, the Assembly decided that all reports adopted by the Working Group at its fourth and fifth sessions and the additional information submitted by the States under review before the adoption of the outcome by the Council would be issued as official documents in all official languages of the United Nations and requested the Secretary-General to undertake the necessary measures to that effect; by paragraph 2, it decided that all reports adopted by the Working Group would be issued as documents in all official languages in a timely manner before their consideration by the Council and requested the Secretary-General to ensure the necessary support. It was the Committee's understanding that the operative paragraph 1 would not entail any programme budget implications; instead, the Department for General Assembly and Conference Management would shift its priorities and the production of summary records at the United Nations Office at Geneva would be delayed.

22. The Committee on Conferences had recognized the work done by the task force chaired by the Department for General Assembly and Conference Management in addressing the problem of issuance of documents for the Fifth Committee and had welcomed its continued efforts to shepherd the submission of documents by author departments. The Committee recommended that the General Assembly, at its sixty-sixth session, should review the work of the task force and consider additional measures to ensure compliance with submission deadlines if the goal of 90 per cent compliance had not been met.

23. The Committee had examined translation- and interpretation-related matters in some detail: its discussions were reflected in chapter VII of the report and its recommendations were contained in section V of the draft resolution.

24. **Mr. Shaaban** (Under-Secretary-General for General Assembly and Conference Management), introducing the report of the Secretary-General on the pattern of conferences (A/64/136), said that it included details of the progress made in the implementation of initiatives to improve conference management. To ensure the increased transparency that Member States expected, the supplementary information provided to members of the Committee on Conferences and the Advisory Committee on Administrative and Budgetary Questions (ACABQ) was also being provided to the Fifth Committee members.

25. With respect to integrated global management and the OIOS evaluation of its implementation, he agreed with many of the findings in the OIOS report (A/64/166), which referred to a lack of dedicated funds to implement integrated global management, and the continued existence of dual reporting lines and resulting ambiguity as to the exact extent of the authority of the Under-Secretary-General for General Assembly and Conference Management. Those were major constraints. OIOS failed to acknowledge that integrated global management existed, was accepted by all stakeholders, and had further potential. Financial savings had never been the overarching objective of integrated global management. Indeed, the draft resolution submitted by the Committee on Conferences reaffirmed that the major goals of the Department for General Assembly and Conference Management were to provide high quality documents in a timely manner in all official languages as well as high quality conference services at all duty stations and to achieve those aims as efficiently and cost-effectively as possible.

26. Turning to documents management, he noted that the predictability of the workflow had improved significantly in recent years, leading, for example, to more timely production of documents for the Fifth Committee at the second part of the resumed sixty-third session, despite very tight deadlines. The Department continued to seek the timely submission of concise documents as the key to orderly and efficient documents processing. The Committee on Conferences, in its draft resolution, had recognized the work of the task force in addressing the issuance of documents for the Fifth Committee and had urged author departments to fully adhere to deadlines. The task force on documentation had proven to be an agile and practical vehicle for improvement at all levels of the documents processing chain.

27. The Department had continued to grapple with the challenges posed by the voluminous workload

generated by the Human Rights Council and its machinery. Substantive discussion of the issue would take place when the relevant OIOS report was considered by the Fifth Committee. He welcomed the establishment in Geneva of a task force led by the President of the Human Rights Council to find a solution that would respond to Member States' concerns and enable the Secretariat to address a predictable workload in an orderly fashion.

28. With respect to the translation of the reports of the Working Group on the Universal Periodic Review of the Human Rights Council, 15 reports were currently being translated contractually and would be processed by the beginning of the Working Group's seventh session, in early 2010. Processing was within existing resources at the expense of other clients of the Department. All reports could be processed if they respected the 10-week rule for submission of documents and the word limit. The Human Rights Council secretariat had calculated a shortfall of $5,371,400 for its sixth and seventh sessions combined, which could be offset if the issuance of summary records remained suspended. It should be noted that when freelance language staff were hired, they were physically present on specific dates to process documents. If documents were not submitted on time, the freelancers would be paid for work they had not performed.

29. Turning to the capital master plan, he reiterated that sufficient conference room space would be available for all meetings on the calendar of conferences and meetings, while space for non-core activities would be limited during some phases of the project. The Publishing Section was bearing the brunt of the disruption during the construction, while the interpreters, too, were working in conditions that were not ideal. Adequate staffing of the Department's information technology section was vital for the uninterrupted provision of critical services. He hoped that the Fifth Committee would ensure the provision of the financial and human resources required to ensure uninterrupted conference services throughout the implementation of the capital master plan.

30. Lastly, he turned to Member States' evaluation of the Department's services, which was a key performance indicator. The annual survey was being revised in order to harmonize its contents across all duty stations and unify the methodology used to obtain feedback. He would welcome any suggestions that might improve the quality of the survey and the response rate. Expressing disappointment at the level of attendance by Member States at the informational meetings held by the Department as an alternative source of feedback, he noted that informal contacts could also serve that purpose and that he would welcome comments from delegations at any time.

31. **The Chairman** drew the Committee's attention to a letter from the Permanent Representative of the Philippines addressed to the Secretary-General (A/64/371).

32. **Mr. Kelapile** (Vice-Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee's report on the pattern of conferences (A/64/484) should be considered in conjunction with the relevant section of its first report on the proposed programme budget for the biennium 2010-2011 (A/64/7).

33. On a number of occasions the Advisory Committee had expressed its full support for the concept of integrated global management as a means of maximizing the efficient use of resources and improving the overall quality of conference services. Although the Department for General Assembly and Conference Management maintained that the pursuit of financial savings had never been the main objective of integrated global management, the Advisory Committee nevertheless reiterated its earlier recommendation that the Department's existing methodologies for the collection and analysis of costing information should be further developed, for better knowledge of the costs of activities would provide a better basis for assessing the efficiency of administrative functions and the cost-effectiveness of work processes, thereby enabling the Department's managers to determine the most effective ways of implementing mandates.

34. The Advisory Committee noted that the Department was in broad agreement with the findings and recommendations of OIOS on integrated global management. In order to enhance the likelihood that measures taken within the framework of integrated global management would further contribute to improving the Department's performance, the Advisory Committee recommended that the Secretary-General's next report on the pattern of conferences should outline the specific steps taken to implement the OIOS findings and recommendations.

35. With regard to documents management, the Advisory Committee noted that particular attention had

been devoted to improving the timely submission of documents to the Fifth Committee. In the absence of incentives to encourage author departments to submit documents on time, the Department was focusing on raising awareness of the work involved in documents processing in the hope that greater understanding on the part of author departments would lead to better compliance with the time frames and page limits set out in the relevant General Assembly resolutions. The Advisory Committee stressed that the timely submission of documentation was the key to the effective implementation of the Department's mandate and therefore urged all author departments to comply with submission deadlines and page-limit requirements.

36. The specific challenges associated with the continuing expansion of the activities of the Human Rights Council were discussed in paragraphs 16 to 19 of the ACABQ report, where it was noted, in particular, that the Department's decision to prioritize the processing of the reports of the Working Group on the Universal Periodic Review had resulted in a backlog of summary records of the meetings of the Council and its subsidiary bodies amounting to some five million words. It was not clear how that backlog would be addressed. In the light of its continuing concerns about the adequacy of conference-servicing capacity in Geneva, the Advisory Committee reiterated its earlier recommendation that the General Assembly should request the Secretary-General to monitor the situation closely and report to the Assembly on any developments which might have financial implications.

37. With respect to translation and interpretation, the Advisory Committee had commented on succession planning, the vacancy situation at the United Nations Office at Nairobi, and the measures taken to ensure the provision of high-quality language services. With regard, in particular, to the Secretary-General's suggestion that, in order to compensate for the high number of retirements, it might be worth considering raising or waiving the mandatory age of retirement for language staff, the Advisory Committee believed that the financial and administrative implications of that course of action for one category of staff should be thoroughly explored, including from the perspective of equality of treatment, before a formal proposal was made.

38. **Mr. Hauge** (Office of Internal Oversight Services), introducing the report of the Office of Internal Oversight Services on the evaluation of the integrated global management initiative of the Department of General Assembly and Conference Management (A/64/166), said that the evaluation had been requested by the Department. The objective had been to assess the relevance and efficiency of the integrated global management initiative, with a special focus on the progress made since the coining of that term in 2004.

39. The Department had taken two approaches: the preparation of the compendium of administrative policies, practices and procedures in the period 2005-2007; and the implementation of three global information technology projects on conference management. However, the overall objective of harmonizing business practices and the establishment of information technology systems at the four United Nations duty stations had not been attained. Furthermore, resource-sharing across the four duty stations had been limited in terms of human and financial resources since 2004. The focus of the duty stations on serving a local constituency of client bodies offered few formal incentives or spare capacity for sharing. The limited workload sharing had taken place on an informal basis. In addition, the Department's statistics on service delivery were embedded with the respective, and differing, definitions of the individual duty stations; the data were therefore inconsistent. OIOS had concluded that the initiative might have highlighted rather than resolved the differences between work practices at the duty stations. There had been little change in the Department's basic work processes, and no overall financial savings could be associated with the initiative. Neither the total cost nor the total volume of combined conference-service delivery had changed significantly since 2004.

40. Another constraint was that the Department had no formal control over staff members serving away from New York. It did have budgetary responsibility for the duty stations but in practice the financial planning and budgeting process allowed little scope for the strategic management of funds across duty stations. The chief lesson learned from the exercise was that without someone at the centre with appropriate responsibility and authority no real reform was likely.

41. In response to the OIOS findings the Department had called for more credit to be given for the collaborative efforts made since 2004, and OIOS itself wished to emphasize the constructive manner in which the evaluation had been conducted. OIOS was mindful of the complexity of the constraints on the

implementation of the initiative and it noted that the Department had accepted all of its recommendations.

42. **Mr. Elhag** (Sudan), speaking on behalf of the Group of 77 and China, said that the Group attached great importance to the agenda item. It commended the Committee on Conferences on the quality of its report and endorsed the recommendations contained therein. The draft resolution submitted in the report should serve as the framework for the negotiations on the item. The Group emphasized that the Department for General Assembly and Conference Management was required to treat all six official languages and all four duty stations equally.

43. The Group hoped that improved coordination between planning officers and technical secretariats would produce a further rise in the overall utilization of conference services. It noted with satisfaction that all the Nairobi-based agencies had continued to hold their meetings in Nairobi; that practice should be continued. However, the Nairobi Office remained the only duty station dependent to some extent on extrabudgetary resources, despite the General Assembly's recognition that all duty stations should be treated equally. The Group welcomed the efforts to address the staffing problem at the Nairobi Office and trusted that the Member States would adopt measures to alleviate the problem. It also welcomed the efforts to increase the utilization of the conference centre of the Economic Commission for Africa.

44. In its resolution 63/248 the General Assembly had recognized the importance of the meetings of regional groupings and the need for them to be provided with interpretation services, but the provision of conference services for such meetings had declined in 2008. The Department should try harder to ensure that adequate services were provided.

45. The Group noted the Department's contingency plans for dealing with any disruption resulting from implementation of the capital master plan. In view of the importance of information and communication technology in the Organization's work, uninterrupted service must be provided throughout the implementation period. The Group welcomed the conclusions of OIOS on the integrated global management initiative and looked forward to the report which the Secretary-General was to prepare in the light of those conclusions.

46. The timely issuance of documents in all six official languages had a direct impact on the efficiency of the Organization's work. The efforts to address that pressing problem were welcome, in particular the establishment of the interdepartmental task force, which had already taken positive action to deal with the problem of the late issuance of Fifth Committee documents. The task force should become a permanent mechanism for handling Fifth Committee documents. The Department itself must continue to push other parts of the Secretariat in the right direction and must report on the status of documentation whenever so requested.

47. The Group was ready to adopt additional measures to ensure compliance by author departments with the deadlines for submission of documents and with the format of reports prescribed by the General Assembly. The Chairmen of the Fifth Committee and the Advisory Committee should promote cooperation on the issuance of documents in order to allow the Fifth Committee sufficient time to consider the documents submitted to it; the programme of work should be determined by the importance accorded to agenda items by the Member States, not by the date on which reports were issued.

48. The Group was dismayed that some of the reports issued under the universal periodic review mechanism of the Human Rights Council had not been translated into all six official languages. The Department had made a commitment to expedite the translation of the remaining reports, and the Group would seek updated information on the progress made. It hoped that the measures to address the demographic transition in the language services would yield positive results and resolve the problem of the vacancy rates at all the duty stations, especially Nairobi. The recruitment of interns and freelance interpreters could certainly be useful, but care must be taken not to compromise the quality of interpretation.

49. **Mr. Råsbrant** (Sweden), speaking on behalf of the European Union; the candidate countries Turkey and the former Yugoslav Republic of Macedonia; the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; and, in addition, Armenia and Republic of Moldova, welcomed the report of the Committee on Conferences and the draft resolution contained in annex I. It appreciated the progress made so far with regard to integrated global management and was glad that the Department for General Assembly and Conference Management had accepted the OIOS findings and recommendations.

50. The European Union welcomed the Secretariat's continuing efforts to avoid the late submission of documents, including Fifth Committee documents. With regard to the calendar of conferences, it was in favour of adding one or two weeks at the end of the second part of the resumed session, at the expense of the main part of the session.

51. Since adequate conference facilities and the highest standards of language services in all six official languages were essential to the work of United Nations intergovernmental and expert bodies, the steps taken by the Secretary-General to address the issue more effectively were welcome. The European Union acknowledged the progress made across the duty stations and noted the comments and recommendations of the Committee on Conferences in that regard. The Secretary-General must ensure that the implementation of the capital master plan did not impair the high quality of language and conference services which the Member States justifiably expected.

52. **Ms. Pataca** (Angola), speaking on behalf of the African Group, said that the Group noted with appreciation that all the Nairobi-based bodies had now complied with the relevant General Assembly resolutions by holding all their meetings in Nairobi. The Secretary-General should continue to ensure compliance. The steady increase in the utilization of the conference centre of the Economic Commission for Africa to 76 per cent in 2008 was welcome, but the centre would be faced with new challenges as a result of the increasing competition in the conference industry in Addis Ababa. But there must be no regression: the centre's management must continue its efforts to reach the 80 per cent utilization benchmark.

53. The General Assembly had consistently recognized the meetings of regional groupings as crucial to the smooth functioning of the Organization. It was therefore worrying that 50 per cent of the requests for meeting services made by the African Group had not been satisfied. An explanation would be welcome.

54. The long-standing issue of the vacancy rate at the Nairobi Office remained a source of concern to the African Group, which welcomed the proactive approach of the Division of Conference Services in Nairobi, in particular the classification of some interpreter and translator posts at a higher level, the provision of incentives to encourage staff to serve for longer periods, and the possibility of providing training programmes for language staff.

55. **Ms. Berlanga** (Mexico), speaking on behalf of the Rio Group, said that the Group appreciated the efforts made by the Department for General Assembly and Conference Management and the interdepartmental task force with respect to issuance of Fifth Committee documents and looked forward to the report to be submitted by the Secretary-General under General Assembly resolution 63/248. The Group had repeatedly stated its position on the issue of the resource requirements of the Human Rights Council and on the translation of the documents pertaining to the universal periodic review; it was to be hoped that the task force would find a definitive solution to the issue.

56. The Group was concerned about the demographic transition in the Department, which should explore further ways of filling vacancies, but it agreed with the Advisory Committee's comment on the financial and administrative implications of raising or waiving the age of separation for one category of staff. With regard to integrated global management, it looked forward to hearing about the measures taken to implement the OIOS conclusions and recommendations.

57. **Mr. Davide** (Philippines) said that conference management, in particular the provision of interpretation, translation and documentation services, played a vital role in United Nations operations and that the services in question must be kept up to par. As far as documentation was concerned, the clamour for reform had become irresistible. Convinced of the need to build on the progress made in the past year, his delegation had submitted the proposals contained in its letter of 8 September 2009 (A/64/371). It believed, firstly, that the task force should become a standing body on Fifth Committee documentation. Secondly, the General Assembly should adopt stronger measures to ensure compliance with deadlines by author departments. Thirdly, there should be adequate intervals between the adoption of new mandates and the consideration of the documents concerned; the General Assembly might adjust the biennial calendar of conferences so that the first and second parts of the resumed session would begin later than at present. Fourthly, the Chairmen of the Fifth Committee and the Advisory Committee should promote cooperation, coordination and communication on matters relating to documentation as a first step towards the goal of having the date of consideration of a question determined by the priorities of the Member States, not by the date of issuance of the documents.

58. The Committee on Conferences had discussed those proposals and incorporated some of their elements in the draft resolution contained in its report, which his delegation strongly endorsed as the basis for negotiations. The Member States should adopt practical solutions to what was an embarrassing perennial problem.

59. **Mr. Cumberbatch** (Cuba) said that the decisions taken on conference services had a decisive effect on the functioning of intergovernmental bodies: the aim should be to facilitate the deliberations of the Member States.

60. Cuba reiterated its objection to the use of United Nations facilities by certain States, with the cooperation of the Secretariat, to engage in activities hostile to other Member States. The General Assembly had commented on the issue in paragraphs 12 and 13 of resolution 63/248, but the incidents continued and the Secretariat had taken no action to prevent them; indeed, even senior Secretariat officials were directly involved in campaigns of defamation against some Member States.

61. His delegation reiterated its satisfaction with the status of documentation of the Human Rights Council relating to the universal periodic review and expected the Secretariat to complete the translations in question by the end of 2009. The review had been established to avoid any recurrence of the shameful situations leading to the disappearance of the discredited Commission on Human Rights.

62. His delegation would closely follow the Committee's deliberations on issues of particular significance for the work of the Organization, including the use of conference services, the support given to regional organizations, in particular the Group of 77 and the Non-Aligned Movement, and the impact of the capital master plan on conference services.

63. **Mr. Kassaye** (Ethiopia) said that the continuing efforts to promote the use of the conference centre of the Economic Commission for Africa deserved commendation, but much more would have to be done if the improved utilization rate was to be sustained. The local factors mentioned in paragraph 49 of the Secretary-General's report on the pattern of conferences (A/64/136) should serve as an incentive in seeking viable solutions. Valuable lessons could be learned from the experience of other United Nations conference centres. The Department for General Assembly and Conference Management should indicate what steps were to be taken to increase the centre's utilization rate still further on the basis of clear strategies and the provision of adequate resources. His delegation was still waiting for the Department to furnish written replies to the questions it had asked at the substantive session of the Committee on Conferences.

64. **Mr. Soomro** (Pakistan) said that the Fifth Committee's consideration of the agenda item would benefit greatly from implementation of the recommendations contained in the report of the Committee on Conferences and that the draft resolution contained therein provided a good basis for its deliberations. Efficient conference management provided the tools with which the Organization did its work. All duty stations and all six official languages must be treated equally.

65. Given the demographic transition in the Department for General Assembly and Conference Management, there was a need to increase the number of competitive examinations for the recruitment of language staff. Action should also be taken to check the waste of conference resources, including a requirement of punctuality in the conduct of meetings. His delegation supported the concept of integrated global management, but it agreed with OIOS on the need for a precise and consistent articulation of the initiative's objectives and for measurable and time-bound targets. Managerial initiatives should not be merely means of saving face and deflecting criticism.

66. Proper methods must be introduced to ensure that the work of the Human Rights Council was not hindered by inadequate provision of services, and the Office of the United Nations High Commissioner for Human Rights must ensure that the relevant information was reflected accurately in the budget documents. His delegation looked forward to the OIOS report on the impact of the inadequate provision of resources to the Council. With regard to paragraph 67 of the Secretary-General's report on the pattern of conferences, his delegation reiterated that it was the prerogative of the Member States to determine the length and timing of their submissions to the Organization.

67. The staffing problem at the Nairobi Office should be addressed expeditiously.

68. The fact that the overall utilization factor for 2008 had remained at 85 per cent reflected a managerial weakness which must be addressed. The reduced provision of services for meetings of regional groupings was regrettable. As acknowledged in General Assembly resolution 63/248, such meetings

facilitated the work of the Organization; they should therefore receive increased priority.

69. One particular drawback of the perennially late issuance of documents was that it impaired the consideration of reports by smaller delegations. The steps taken to tackle the problem were welcome, but a number of important documents were still being issued very late. It was to be hoped that the measures envisaged by the Secretary-General to address the underlying causes of the problem, including the establishment of the task force on a permanent footing, would produce early results. All Secretariat departments must produce their documents in accordance with the format prescribed by the General Assembly, for failure to do so caused a further problem for the Member States and, again, for smaller delegations in particular.

70. **Mr. Diab** (Syrian Arab Republic) said that delegations depended on the simultaneous issuance of documents in all six official languages and the availability of high-quality interpretation services in order to discharge their responsibilities. The work of the Committee on Conferences was therefore particularly important to delegations that spoke official languages other than English.

71. His delegation welcomed the recommendation of the Committee on Conferences that the General Assembly should explicitly authorize the bodies that had requested exceptions to section I, paragraph 7, of General Assembly resolution 40/243 to meet in New York during the main part of the Assembly's sixty-fourth session.

72. Noting that the utilization of conference resources at the four duty stations had improved in 2008, he urged the Chairperson of the Committee on Conferences to continue her consultations with the intergovernmental bodies that had utilized less than the benchmark of 80 per cent of their allocated resources in 2008 in order to encourage them to make better use of conference resources. While the establishment of a "strategic reserve" for the provision of interpretation services to the meetings of bodies that were entitled to meet "as required" was a positive initiative, consideration should be given to raising the reserve to four meetings a week.

73. Recalling that, in its resolution 63/248, the General Assembly had recognized the importance of meetings of regional and other major groupings of Member States for the smooth functioning of the sessions of intergovernmental bodies, he said that that "strategic reserve" could be used to increase the interpretation services that were available for such meetings and called on the Secretariat to make further efforts in that regard. His delegation also noted with satisfaction that, in accordance with General Assembly resolution 57/283 B, all meetings of Nairobi-based United Nations bodies had been held in Nairobi in 2008.

74. The implementation of the capital master plan, including the temporary relocation of conference-servicing staff to temporary facilities, should not compromise the quality of conference services provided to Member States in the six official languages and the equal treatment of the language services, which should be provided with equally favourable working conditions and resources.

75. His delegation agreed with the conclusions and recommendations of OIOS in its report on integrated global management (A/64/166) and looked forward to the Secretary-General's report on their implementation to be submitted to the Assembly at its sixty-fifth session.

76. He was concerned that, despite the importance of the timely issuance of documents in the six official languages, which had a direct impact on the efficiency of the work done by the various United Nations bodies, the six-week rule was frequently disregarded. He welcomed the efforts of the task force chaired by the Department for General Assembly and Conference Management in positively addressing the problem of issuance of documents for the Fifth Committee.

77. His delegation was concerned that some of the reports that had been adopted by the Working Group on the Universal Periodic Review of the Human Rights Council had not been translated into all official languages and was disappointed by the contradictory explanations that had been offered by the Department for General Assembly Affairs and Conference Management as to how that had come to pass. The creation of a coordination mechanism between the Human Rights Council and the Department would enable the latter to better manage the document submission process and allocate the resources needed for their translation.

78. With regard to the interpretation and translation services, he drew attention to the importance of the standardization and development of terminology through coordination between those services; the terminology used should reflect the latest linguistic norms in order to ensure the highest quality. The demographic transition

affecting the language services required the Department to work closely with the Office of Human Resources Management with a view to increasing the frequency of competitive examinations in order to address the shortfall in staff. In that connection, his delegation welcomed the efforts of the Secretariat to contact universities and schools of interpretation and translation, particularly in the Arab world, and the enhanced training programme for serving language staff. He looked forward to the results of the comprehensive review of the examination process, including a review of the entry level for language staff, that would be conducted by the Assistant Secretary-General for General Assembly and Conference Management by the end of 2009.

79. His delegation had taken note of the impact of freelance recruitment on the quality of interpretation at all duty stations owing to the fierce competition among international organizations and among duty stations. The Secretariat should therefore consider raising remuneration for freelance interpreters with a view to attracting the most qualified among them.

80. **Mr. Prokhorov** (Russian Federation) said that the Committee on Conferences played an important role in ensuring the efficient conduct of United Nations meetings and that the Department for General Assembly and Conference Management had undertaken a number of useful initiatives. The key to the success of the Department's integrated global management initiative at all duty stations was a balanced division of labour between Headquarters and the duty stations, with the Department's coordination function ensuring optimum use of potential and economy of resources.

81. Special caution should be exercised in reforming the working methods of the language services: the main objective must always be to improve the quality of translation and interpretation in the six official languages. The overall quality of conference servicing depended in many respects on the creation of the same working conditions and an equal provision of human and financial resources for all the language services. It was particularly important to ensure consistency and proper planning in the recruitment of temporary assistance.

82. The members of the Committee should take a constructive approach to the question of the services, including translation, provided in connection with the universal periodic review, making a realistic assessment of the Secretariat's capacity and not undermining the approved working methods of the Human Rights Council. What was at stake was the long-term improvement of the human rights situation in the Member States and indeed the fate of one of the chief achievements of the reform of the Organization.

83. With regard to the depletion of the rosters of candidates for the language services, the biannual information meetings on language-service problems helped delegations to understand the situation and gave the Secretariat first-hand response from the users of the services. However, the Department must take concrete action on the problems raised. The Department's approach of reaching out to teaching establishments was welcome; the implementation of that initiative on a rational resource basis ought to form part of a strategy for the long-term planning of the competitive examinations for language staff. Other measures, in particular raising the age of separation, to tackle the problem of demographic changes in the language services, could not be discussed individually under the agenda item, for the issue was one for all the organizations of the United Nations system. It should be taken up by the General Assembly as part of overall personnel policy and by the International Civil Service Commission.

84. His delegation welcomed the efforts made by the Secretariat to improve the quality of contractual translation and looked forward to receiving information about the results of the action taken.

85. **Mr. Andanje** (Kenya) said that, although progress had been made in addressing the high vacancy rates in the language services at the United Nations Office at Nairobi, sustained efforts were required to resolve the issue once and for all. To that end, he welcomed the programme initiated at Nairobi to provide on-the-job training to young translators and interpreters who had yet to pass the United Nations examination and the conference organized by the Office in February 2009 to bring together representatives of universities and international organizations, government officials and freelance language professionals. He was pleased that the University of Nairobi had agreed to pilot the effort by African universities to establish master's programmes and hoped that offers of support for training made by the stakeholders at the conference would materialize. Enhanced capacity-building and the development of partnerships with universities could provide a long-term solution to the problem of high vacancy rates at the United Nations Office at Nairobi.

86. With regard to the utilization of the conference centre at the Economic Commission for Africa, he was pleased that the management's marketing efforts had begun to bear fruit. Considering the emerging challenges in the local conference industry, however, those efforts must be sustained in order to further enhance the marketing and utilization of the conference centre.

87. **Mr. Safaei** (Islamic Republic of Iran) said that, in order to safeguard the credibility and neutrality of the United Nations as enshrined in the Charter, it was imperative for the Secretariat to adhere strictly to the provisions of paragraphs 12 and 13 of General Assembly resolution 63/248 on the use of the Organization's premises, which was a highly sensitive issue.

88. **Ms. Lewis** (Director, Documentation Division) said that responses to most of the questions raised by delegations were included in the written information that would be provided to delegations in informal consultations. With respect to the translation of the reports for the Human Rights Council, she reiterated that, in recognition of the obligation to provide the documentation that was requested, the Department would continue to review the situation in consultation with the Council's secretariat. She reiterated that the timely issuance of documents was always directly linked to their timely submission. In planning its capacity, the Department was largely governed by the calendar of conferences and therefore had to contend with peaks and valleys in the workload throughout the year. Workload sharing had to take those peaks and valleys into account and was limited to some extent.

89. With respect to the demographic transition currently under way in the language services, a review of the examination process had begun, led by the Assistant Secretary-General for General Assembly and Conference Management. It was estimated in the Department that some 50 examinations would be required each year to deal with the staffing crisis, while the Examination and Tests Section of the Office of Human Resources Management had stated clearly that it could not handle such a large number of examinations. It was hoped that the review would identify ways to shorten and streamline the process with a view to more regular examinations so that complete, up-to-date rosters could be established for all six official languages.

The meeting rose at 1.10 p.m.

United Nations A/C.5/64/SR.7

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Summary record of the 7th meeting
Held at Headquarters, New York, on Tuesday, 20 October 2009, at 10 a.m.

Chairman: Mr. Maurer ..... (Switzerland)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

Contents

Agenda item 139: United Nations common system

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The meeting was called to order at 10.05 a.m.

Agenda item 139: United Nations common system
(A/64/7/Add.2, A/64/30 and Corr.2 and A/64/358)

1. **Mr. Stöckl** (Vice-Chairman of the International Civil Service Commission), introducing the report of the International Civil Service Commission (ICSC) for 2009 (A/64/30), said that ICSC had reviewed separation payments, including termination indemnity, repatriation grant and death grant, with a view to streamlining practices in the common system.

2. It had decided to recommend that the General Assembly should introduce, in those organizations that had implemented the new contractual framework, end-of-service severance pay for fixed-term staff separating from the organization upon expiration of contract after 10 or more years of continuous service. As well as addressing the inequity in the current treatment of staff upon separation, such a measure would facilitate both a prospective staff member's acceptance of a fixed-term contract and the non-extension of such a contract by the organization, thereby allowing organizations more flexibility in establishing the appropriate mix of continuing and fixed-term appointments. It would also reflect the realities of the international civil service where, for budgetary or other reasons, governing bodies could impose limitations on the use of continuing appointments, not necessarily related to the continuity of functions performed by the affected staff. Furthermore, it would correspond to outside employment practices whereby unemployment benefits were available, including in the comparator civil service; most common system staff were not covered by such benefits offered by their own national governments. Lastly, since the end-of-service payment was being proposed as an integral part of the new contractual framework, it would encourage the introduction of that framework across the common system. The estimated cost of the proposed measure was $4.6 million per annum system-wide.

3. With regard to repatriation and death grant eligibility, the Commission had recommended that the General Assembly should reiterate its call to the governing bodies of the common system organizations to align their provisions with those applicable in the United Nations.

4. ICSC had given initial consideration to the possibility of changing the mandatory age of separation, as requested by the General Assembly on the basis of the recommendation contained in the Advisory Committee's report on human resources management (A/63/526). Having noted that the Assembly's request involved a much wider scope of study, incorporating a number of human resources policy and pension aspects, it had instructed its secretariat, in cooperation with the organizations and the United Nations Joint Staff Pension Fund, to prepare a comprehensive report with recommendations, taking account of the various human resources and pension implications. Since the Pension Fund had already embarked on a review of the pension system, ICSC had decided to revert to the issue at its seventy-second session.

5. The review of salary scales for staff in the General Service and related categories at United Nations Headquarters, carried out in July 2009, had given rise to a recommendation that those scales should remain unchanged, based on a 1.1 per cent contraction in the relevant consumer price index over the 12-month period from July 2008. General Service salaries in Geneva and Madrid, reviewed in March and April 2009 respectively, were also unchanged. Following the review in August 2009 of the post adjustment classification for New York, which had led to a post adjustment index lower than the prevailing pay index for staff in the Professional and higher categories, salaries had been maintained at current levels for the following 12-month period, with no change in the pensionable remuneration scale for those staff.

6. Following extensive work by its technical working group, ICSC was able to present to the Committee a global job evaluation standard for General Service and related categories that represented an important step forward in terms of facilitating the harmonization of practices across the common system and should be acceptable to all users and stakeholders. The 2009 report (A/64/30) described its structure and, although a few technical matters still needed to be fine-tuned, ICSC planned to promulgate the new standard at its next session in early 2010, on the understanding that by then all the necessary features would be present for smooth implementation.

7. The Commission recommended that the base/floor salary scale should be adjusted by 3.04 per cent through the standard consolidation procedure of increasing base salary while commensurately reducing

post adjustment levels, with effect from 1 January 2010. The financial implications of the adjustment, relating to separation payments, were estimated at $1.4 million per annum system-wide. Based on the post adjustment multiplier for New York effective as from 1 August 2008, the net remuneration margin between United Nations and United States officials in comparable positions was 113.8 and the average margin level for the previous five-year period of 2005-2009 was 113.6. Although the five-year average was below the desirable midpoint of 115, that did not give the Commission immediate cause for concern, bearing in mind the current level of the margin and its dynamics in recent years.

8. In view of the General Assembly's request, in its resolution 59/268, that the Commission should monitor progress towards the development of a senior management network, he informed the Committee that the United Nations System Chief Executives Board for Coordination (CEB) had decided to discontinue further work on that project. With regard to the monitoring of gender balance within the common system, the Commission had decided not to recommend the establishment of an inter-agency roster of qualified women candidates as a feasible way of achieving gender parity, but had recommended various other strategies to be explored by the organizations.

9. ICSC had approved the agenda for the thirty-second session of the Advisory Committee on Post Adjustment Questions, which was expected to submit, at the Commission's next session, its final recommendations on methodological issues and practical arrangements for the upcoming round of surveys. The operational rules underlying the post adjustment system might also be modified since some organizations had expressed concern at relatively low increases in the net take-home pay of Professional staff at some European duty stations, particularly those in the euro zone. The ICSC secretariat had put in place a new system providing detailed reports of annual reviews of post adjustment classifications and was fully engaged in preparations for the 2010 round of cost-of-living surveys.

10. The report contained the Commission's proposed programme of work for its coming sessions. Inter alia, ICSC would give priority to improving the coherency of common system practices, continue to collaborate with the Human Resources Network of CEB on the harmonization of staff rules, ensure that the standards of conduct of the international civil service and the human resources management framework continued to meet the needs of the common system organizations, and work with organizations on updating the performance management framework.

11. **Ms. Van Buerle** (Director, Programme Planning and Budget Division), introducing the statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly on the administrative and financial implications of the decisions and recommendations contained in the report of ICSC for 2009 (A/64/358), said that the financial implications for the proposed programme budget of the United Nations and the proposed budgets of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia for the biennium 2010-2011 of the recommendation to introduce end-of-service severance pay for fixed-term staff separating from organizations upon expiration of contract after 10 or more years of continuous service had been estimated at $2,100,000, $214,200 and $30,700 respectively, while the corresponding financial implications of the recommendation to increase by 3.04 per cent the base/floor salary scale for staff in the Professional and higher categories, as from 1 January 2010, had been estimated at $493,600, $66,500 and $81,900 respectively.

12. If the General Assembly concurred with the recommendations of ICSC contained in its 2009 report (A/64/30), the requirements would be reflected in the recosting of the corresponding proposed budget estimates for the biennium 2010-2011 prior to determination of the appropriations to be adopted by the Assembly in December 2009.

13. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's related report (A/64/7/Add.2), said that the Advisory Committee had been informed that the estimated system-wide cost of the ICSC recommendation to introduce, in those organizations that had implemented the new contractual framework, end-of-service severance pay for fixed-term staff separating from the organization upon expiration of contract after 10 or more years of continuous service had been based on the actual number of eligible separations in 2006-2007, on the assumption that the number of separations would be the same in any biennium. It had also been

assumed that all United Nations organizations had adopted the contractual framework, whereas, in reality, that framework was likely to be adopted at different times by different organizations. With regard to the Commission's conclusion that the costs incurred in relation to end-of-service severance pay would be less than those incurred for buy-out packages, the Advisory Committee remained unconvinced as to its relevance as an argument in support of the proposal.

14. The estimated financial implications of the recommendation for the proposed programme budget of the United Nations and the proposed budgets of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia for the biennium 2010-2011, as contained in the Secretary-General's statement (A/64/358), were based on past trends and might therefore be subject to change. In particular, although the conversion of staff on assignments of limited duration to fixed-term contracts under the new contractual framework would not affect the estimate for 2010-2011, it clearly might have an impact in future bienniums.

15. The Advisory Committee noted the financial implications of the Commission's recommendation to adjust the base/floor salary scale for the Professional and higher categories by 3.04 per cent as from 1 January 2010, as set out in the statement submitted by the Secretary-General (A/64/358), and further noted that the increase would be implemented through the standard method.

16. The Advisory Committee had no objection to the Secretary-General's approach with respect to separation payments for staff in the Professional and higher categories since those requirements would be reflected in the recosting of the proposed budget estimates for the biennium 2010-2011.

17. **The Chairman**, in accordance with General Assembly resolution 35/213, invited a representative of the Federation of International Civil Servants' Associations (FICSA) to make a statement. As agreed by the Bureau, he also invited a representative of the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA) and a representative of the United Nations International Civil Servants Federation (UNISERV) to make statements.

18. **Mr. Mobio** (Federation of International Civil Servants' Associations) welcomed the inclusion of the staff's views in the 2009 report of ICSC, in accordance with rule 22.2 of its rules of procedure. FICSA supported the proposal to extend the mandatory age of separation to 62 for all staff, without prejudice to the acquired right of eligible staff to retire at 60, considering that the decision to retire or to continue service should not be left to the discretionary authority of the executive head but should rest solely with the staff member concerned. It would call for a further review to increase the mandatory age of separation to 65 for all staff following the completion of the actuarial study by the Pension Fund in 2010 and a decision by the Pension Board in relation to the retirement age.

19. Based on the comments of its membership, FICSA had identified a number of issues, including the protection of whistle-blowers from retaliation, the definition of abuse of authority, and privacy laws that pointed to the need for a review of the standards of conduct for the international civil service. It therefore supported the Commission's decision to undertake an initial review to ensure that those standards continued to meet the needs of the organizations and staff.

20. While it welcomed the Commission's decision to invite the governing bodies of the common system organizations to harmonize their termination indemnity schedules, FICSA considered that such indemnities should be based solely on length of service and should not vary according to contract type. It also welcomed the recommendation to introduce end-of-service severance pay for fixed-term staff separating from common system organizations upon expiration of contract; however, it requested the Committee to consider reducing the eligibility requirement to five years. Staff at international tribunals and other common system organizations with mandates that were limited in time would thus be encouraged to remain in post until the end of their fixed-term contracts, which would address the problem of serious understaffing towards the end of an organization's mandate. FICSA agreed with the Commission's decisions not to rename the repatriation grant and to call on the governing bodies to align their provisions regarding death grant eligibility with those applicable in the United Nations.

21. The Federation noted the Commission's recommendation that the base/floor salary scale for the Professional and higher categories should be adjusted by 3.04 per cent. Noting further that the five-year average net remuneration margin level was below the

desirable midpoint of 115 and that the margin at the P-3 to P-5 levels averaged only 113, compared with 117 for staff at the D-1 and D-2 levels, it requested a one-time adjustment to restore the margin to 115 for grades P-3 to P-5.

22. FICSA supported the Commission's decision not to recommend the establishment of an inter-agency roster of qualified women candidates and agreed with its other decisions on the issue of achieving gender balance. With regard to the report of the Advisory Committee on Post Adjustment Questions, it had commented on the agenda for the upcoming session, as well as on the list of items and specifications to be used in the next round of place-to-place surveys, in which it would be encouraging all staff to participate. It was disappointing that the Commission did not see any need for further studies on the predictability and stability of remuneration, particularly in field duty stations.

23. The new job evaluation system for the General Service and related categories should not be promulgated or implemented until all supporting elements, including those detailed in the Commission's report (A/64/30, para. 112), were complete. The implementation programme should also include a training component. Lastly, FICSA welcomed the recommendations of the Steering Committee on Staff Safety and Security of the High-level Committee on Management, especially its recommendation to extend the security-related entitlements related to minimum operating residential security standards to national personnel subject to a security risk assessment by the Department of Safety and Security.

24. **Mr. Land-Kazlauskas** (Coordinating Committee for International Staff Unions and Associations of the United Nations System) said that the General Assembly must acknowledge the nature of the threats facing United Nations staff: the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Children's Fund (UNICEF) and the World Food Programme had already lost nine staff members in 2009. The Member States must ensure that the staff who carried out the work of the Organization were afforded the protection required by the Charter.

25. With regard to end-of-service severance pay, he recalled that most Member States had national legislation requiring some form of severance payment for staff upon termination of a continuing contract and prohibiting the employment of staff for long periods under a series of fixed-term contracts. For example, although in the comparator United States federal civil service, no termination indemnity, severance pay or end-of-service bonuses were available for staff who served on term appointments, 9 out of 10 employees had permanent appointments. In contrast, about 80 per cent of staff in the United Nations system were on fixed-term contracts. CCISUA therefore welcomed the recommendation of ICSC to introduce end-of-service severance pay for fixed-term staff in the United Nations; however, it believed that such payments should be granted upon expiration of contract after 5 rather than 10 years of continuing service. With regard to timing and financial implications, it was important to remember that the proposed measure had been under discussion for over three decades, during which time several common system organizations had made such payments without incurring financial disaster. Furthermore, the measure would only entail costs to the Organization when it was used. In the opinion of CCISUA, the alternative would have much greater financial implications, since the introduction of end-of-service severance pay for fixed-term staff was not merely a staff issue but related to the very continuity of the Organization's mission. The International Tribunal for the Former Yugoslavia, for example, which was soon to commence a major downsizing initiative, was experiencing an increase in attrition that was affecting its ability to perform its mandate. The introduction of end-of-service severance pay would reduce such attrition and should therefore be seen as an essential tool for managing human resources effectively.

26. CCISUA supported the proposal to extend the mandatory age of separation to 62, without prejudice to the acquired rights of eligible staff to retire with full benefits at 60. Consideration should also be given to a further increase in the retirement age, following completion of the actuarial study by the Pension Fund. The decision to retire or continue service beyond the normal retirement age should rest solely with the staff member concerned.

27. Women remained underrepresented at senior levels of the Organization, and overrepresented in the junior ranks. It would be much easier to achieve gender parity and diversity targets when an effort was made to identify and develop internal talent, including women in the General Service and National Professional categories. Attention should also be given to the issues

facing women of childbearing and child-rearing age who were, according to various studies, more likely to leave the Organization because of the lack of support structures. A roster was not likely to remove the fundamental barriers to achieving gender balance.

28. Every effort should be made to bring the United Nations/United States net remuneration margin back to the desirable midpoint of 115 for all staff. Lastly, the cautious approach adopted by ICSC in relation to the job evaluation standards for the General Service and related categories was to be welcomed, since it was essential that all elements of the new system were finalized before the standards were approved and promulgated.

29. **Mr. Jumet** (United Nations International Civil Servants Federation), referring to the ICSC recommendation on the introduction of end-of-service severance pay, said that the eligibility requirement of at least 10 years of continuous service did not support the harmonization of conditions of service but, rather, created two distinct payment schedules. The stipulation that no severance pay would be made to a staff member transferring to another common system organization upon the expiration of a contract also discouraged inter-agency mobility. Furthermore, once the new contractual framework had been fully implemented, there would be few staff left under fixed-term contracts with 10 years of continuous service. UNISERV therefore proposed that the termination indemnity for fixed-term appointments, as described in annex II to the ICSC report (A/64/30), should be applied to all involuntary separations of fixed-term staff throughout the common system after five years of continuous service. Staff members, including local staff in field missions, who had served for at least five years had proved a certain commitment to the Organization and expected a similar commitment from their employer in return, particularly since they were not eligible for unemployment benefits in their home country. It should be recalled that long-serving staff members often evolved from specialists to multi-skilled individuals, which made it more difficult for them to return to employment in their national public or private sector upon separation from the Organization.

30. It was disappointing that a decision on the mandatory age of separation had been deferred. Since life expectancy had greatly improved over the past five decades and the average age of entry on duty had risen, it was ironic that staff members could be required to retire at the age of 60, particularly when the average age of decision makers at the Under-Secretary-General and Assistant Secretary-General levels was much higher and the effectiveness of a staff member was in part determined by experience acquired in service. Attempts to rejuvenate the Organization by bringing in younger staff at senior levels might also create retention problems, owing to a lack of opportunities for further promotion. The current mandatory age of separation was outdated and at variance not only with the policies of many Member States, but also with article 12 of the Political Declaration adopted at the Second World Assembly on Ageing in 2002. The age of separation should therefore be harmonized at 62 for all staff as of 1 January 2010, without prejudice to the acquired rights of eligible staff desiring to retire at 60. UNISERV would also conditionally welcome a subsequent optional increase in the retirement age to 65 or more.

31. While huge progress had been made since the inception of the project to develop a global job evaluation system for General Service and related categories, the grade level descriptors remained too broad and should not be used to replace the technical specifications determined by a classification review process. In the view of UNISERV, while they could be used for initial budgetary determinations or organizational design, they should not be associated with the master standard or portrayed as a valid alternative classification tool. Bearing in mind the time and work invested in the development of the Professional master standard and the subsequent lessons learned, consideration should be given to conducting a pilot implementation of the General Service master standard only, subject to completion of the actions described in paragraph 113 (d) of the Commission's report (A/64/30) and to the postponement of a decision on the adoption and promulgation of the master standard until the pilot implementation had been evaluated.

32. Although there might be some merit in establishing an inter-agency roster of qualified women, it was important to consider why highly qualified staff, especially women, were not attracted to the United Nations common system and why women within the system still faced obstacles in their progression to senior levels. Exit interviews and a review of the demographics, career trajectory and work/life profiles of staff already employed in the common system could

be used to devise long-term measures aimed at attracting and retaining competent staff regardless of gender.

33. UNISERV welcomed the upcoming review of the standards of conduct for the international civil service. It trusted that the current proposals to revise the Staff Rules and Regulations would include measures to harmonize the proposed code of ethics with the standards of conduct, since that was necessary to avoid ambiguity, redundancy and confusion. Noting with concern that the five-year average of the United Nations/United States net remuneration margin was consistently below 115 and that the margin at the P-3 to P-5 levels averaged only 113, compared with 117 for staff at the D-1 and D-2 levels, UNISERV proposed that the margin should be harmonized at a single level of at least 114.3 for all grades, with a view to reaching 115 in the short term. Lastly, UNISERV welcomed the review of the mobility and hardship scheme in 2010 and looked forward to continued participation in the ICSC tripartite working group on the classification of duty stations according to conditions of life and work.

34. **Mr. Elhag** (Sudan), speaking on behalf of the Group of 77 and China, reaffirmed its support for ICSC and stressed the importance of providing recognition to all staff members serving in the United Nations common system. Most staff wanted to work for the Organization because they believed in its goals and objectives, and the Member States had a responsibility to provide them with a respectable remuneration package, accompanied by sufficient incentives, in order for them to work effectively amid ongoing challenges. The Group fully supported the Commission's recommendation to introduce end-of-service severance pay for fixed-term staff separating from the Organization upon expiration of contract after 10 years or more of continuous service, since that was a way of recognizing the many years of excellent service they had given to the Organization.

35. **Mr. Råsbrant** (Sweden), speaking on behalf of the European Union; the candidate countries Croatia and the former Yugoslav Republic of Macedonia; the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; and, in addition, Armenia, Liechtenstein, Republic of Moldova and Ukraine, said that the Commission made an invaluable contribution to the effective functioning of the common system. The European Union noted the programme of work of ICSC for 2010-2011, as well as the decisions and recommendations contained in its report (A/64/30). With regard to the review of separation payments, including termination indemnity, repatriation grants and death grants, it supported efforts to streamline those practices within the common system. It would carefully examine the recommendation to introduce end-of-service severance pay for fixed-term staff, and its administrative and financial implications, in the light of the ongoing implementation of the new contractual framework and the overall economic situation.

36. **Mr. Kanamori** (Japan) said that, in line with the usual practice, the ICSC recommendations on basic salary levels for the Professional and higher categories should be approved without change. Recalling the General Assembly's decision, in its resolution 63/250, that there should be no expectations, legal or otherwise, of renewal or conversion of a fixed-term contract, irrespective of the length of service, he said that his delegation did not accept the Commission's recommendation to introduce end-of-service severance pay for fixed-term staff separating after 10 or more years of service, considering that none of the reasons given in its report constituted valid grounds for such a measure.

37. With regard to the problem of achieving gender balance, his delegation concurred with the Commission regarding the importance of targeted outreach efforts to attract qualified women for all levels of post and encouraged it to take further action in that area. Bearing in mind that gender parity had been attained at the P-1 and P-2 levels, as indicated in the latest report of the Secretary-General on the composition of the Secretariat (A/64/352), and taking into account the general practice among international organizations of giving internal candidates priority over external candidates, the staff selection system needed to be re-examined in order to achieve the goal of gender parity. He hoped that the Commission would take up the challenge of conducting such a review as early as its next session.

38. Firmly believing that a geographically diverse staff could enhance the Organization's ability to address a wide variety of problems, his delegation was concerned that ICSC continued to give scant attention to the enduring problem of geographical distribution. It urged the Commission to place that issue on its agenda, with a view to recommending appropriate measures to

improve the situation, and stood ready to provide all possible assistance in that regard.

39. **Mr. Chen** (United States of America) expressed concern at the Commission's recommendation that the General Assembly should introduce end-of-service severance pay for fixed-term staff separating from a common system organization upon expiration of contract after 10 or more years of continuous service, since his delegation believed that the legal obligations of the United Nations to individual staff members ended with the expiry of their contract. Furthermore, any payment that compensated staff members for the non-renewal of their contracts violated the principle that there should be no expectations of renewal or conversion of a fixed-term contract, as clearly stated in General Assembly resolution 63/250. With regard to termination indemnity, the amount paid must be tied to the unexpired portion of fixed-term contracts, since the purpose of severance pay was to compensate staff members for the loss of expectation of employment. Payment based on any other criteria, such as length of service, changed the purpose of the indemnity from compensation for curtailed service to compensation for non-renewal.

40. While certain benefits were necessary in order to attract and retain highly qualified and dedicated staff members, those benefits must be conceptually sound and fiscally responsible, particularly in view of current fiscal pressures. Staff costs already accounted for a large percentage of expenditure under the biennial budget.

41. **Ms. He** Yi (China) said her delegation was concerned about the possibility of a change in the mandatory age of separation. While such a change would bring some advantages in terms of maintaining the stability of staff, it could negatively affect new recruitment, the competitiveness of Secretariat staff and, in some cases, the quality of work performed. It was important to take all factors into account and not implement any hasty changes.

42. It was gratifying that many common system organizations had incorporated the standards of conduct for the international civil service into their rules and regulations. Updates to the standards should be coordinated by the Ethics Committee and should be consistent with the code of ethics. With regard to the issue of gender balance, her delegation appreciated the efforts of ICSC to improve the representation of women in the common system organizations. Those organizations should establish management, monitoring and incentive mechanisms and incorporate gender balance objectives in the performance evaluation of managerial staff.

43. The decision by CEB to discontinue work on the Senior Management Network was regrettable, since the strategic leadership development proposed by the Network had been conducive to promoting the professional management of the common system organizations. Efforts to build leadership capacity should continue to be strengthened and given adequate attention in the common system despite the demise of the Network.

44. **Mr. Chumakov** (Russian Federation) said that his delegation noted the Commission's intention to turn itself into a more up-to-date personnel-management tool in the service of the Member States acting as a partner of the organizations of the United Nations system.

45. Trilateralism had become a stronger element of the Commission's work in recent years, especially through the enhanced influence of the trilateral working groups on decision-making. In those groups and in the Commission itself the views of the Administration should be given due but not decisive weight, and the principles of the trilateral consultative process should be strictly adhered to: the Commission's decisions must be taken exclusively by its members.

46. His delegation attached great importance to the Commission's central role in regulating and maintaining the integrity and development of the common system of salaries, allowances and conditions of service. It was also important not only to ensure the economical functioning of the organizations of the system but also to prevent competition among them. One crucial matter was the mandatory age of separation. The majority of the Commission's members had not objected to raising the age to 62 years in order to equalize the rights of staff members recruited before and after 1990, but opinions had differed on a further increase to 65 years, and the Commission had not made any recommendations at the present stage. It must not be forgotten that any change might have implications for geographical distribution, gender balance, rejuvenation of the workforce, and career development, as well as giving rise to a number of problems

connected with the management of the final stages of service. The findings of the forthcoming actuarial review of the Joint Staff Pension Fund would also have to be considered.

47. Careful consideration must be given to the question of the payment of an end-of-service grant, and its introduction should meanwhile be deferred. Such a grant should be regarded not as satisfaction of career expectations but as job-search assistance for separated staff members who had been absent from the labour market for a long time. It should also increase the attractiveness of short-term contracts and thus enhance flexibility in the management of the workforce.

48. **Mr. Simpson** (New Zealand), speaking also on behalf of Australia and Canada, said that the three delegations appreciated the Commission's valuable contribution to ensuring the quality and consistency of employment policies and practices across the common system. In particular, they welcomed its role in discussions on possible changes to the mandatory age of separation and its work on the standards of conduct for the international civil service. With regard to its recommendation regarding the introduction of end-of-service severance pay for fixed-term staff, they noted some differences of opinion among the Commission's members and would be seeking assurances that the proposal was underpinned by clear justifications, sound analysis and a robust business case, since the creation of new entitlements entailing significant ongoing financial obligations should always be approached with caution. With agreement still pending in some key areas relating to the implementation of the new contractual framework, including some aspects with implications for the future role of fixed-term and continuing contracts within the Organization, it might currently prove challenging to reach firm conclusions on the necessity and cost of the proposal.

49. **Mr. Muhith** (Bangladesh) said that, while his delegation found the rationale for the proposed introduction of end-of-service severance pay to be quite reasonable, it was concerned at the assertion by ICSC that severance pay would reflect the realities of the international civil service where, for budgetary or other reasons, governing bodies could impose limitations on the use of continuing appointments, not necessarily related to the continuity of functions performed by the affected staff. He wished to know what those realities were and why ICSC presumed that governing bodies could impose future limitations on the use of continuing appointments, when the Committee had yet to decide on that issue.

50. **Ms. Berlanga** (Mexico) said, in view of the current economic crisis, that her delegation would carefully consider the proposal to introduce end-of-service severance pay for fixed-term staff. The Commission's arguments in favour of the proposal were not sufficiently convincing, particularly given the General Assembly's decision that there should be no expectations, legal or otherwise, of renewal or conversion of a fixed-term contract. It would be difficult in the time available to give adequate consideration to the financial implications of such a proposal, introduced so shortly after the reform of the human resources management system.

51. **Mr. Stöckl** (Vice-Chairman of the International Civil Service Commission), responding to the question raised by the representative of Bangladesh, said that several organizations within the common system had never used permanent contracts and had indicated that they would be reluctant to use continuing appointments, for a number of reasons. It was also important to recall that the General Assembly had decided to impose certain restrictions on the granting of permanent contracts. It was therefore the Commission's view that each organization must decide on its own use of continuing appointments; neither ICSC nor the General Assembly could take a decision for the whole system.

The meeting rose at 11.50 a.m.